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# TOBACCO Situation

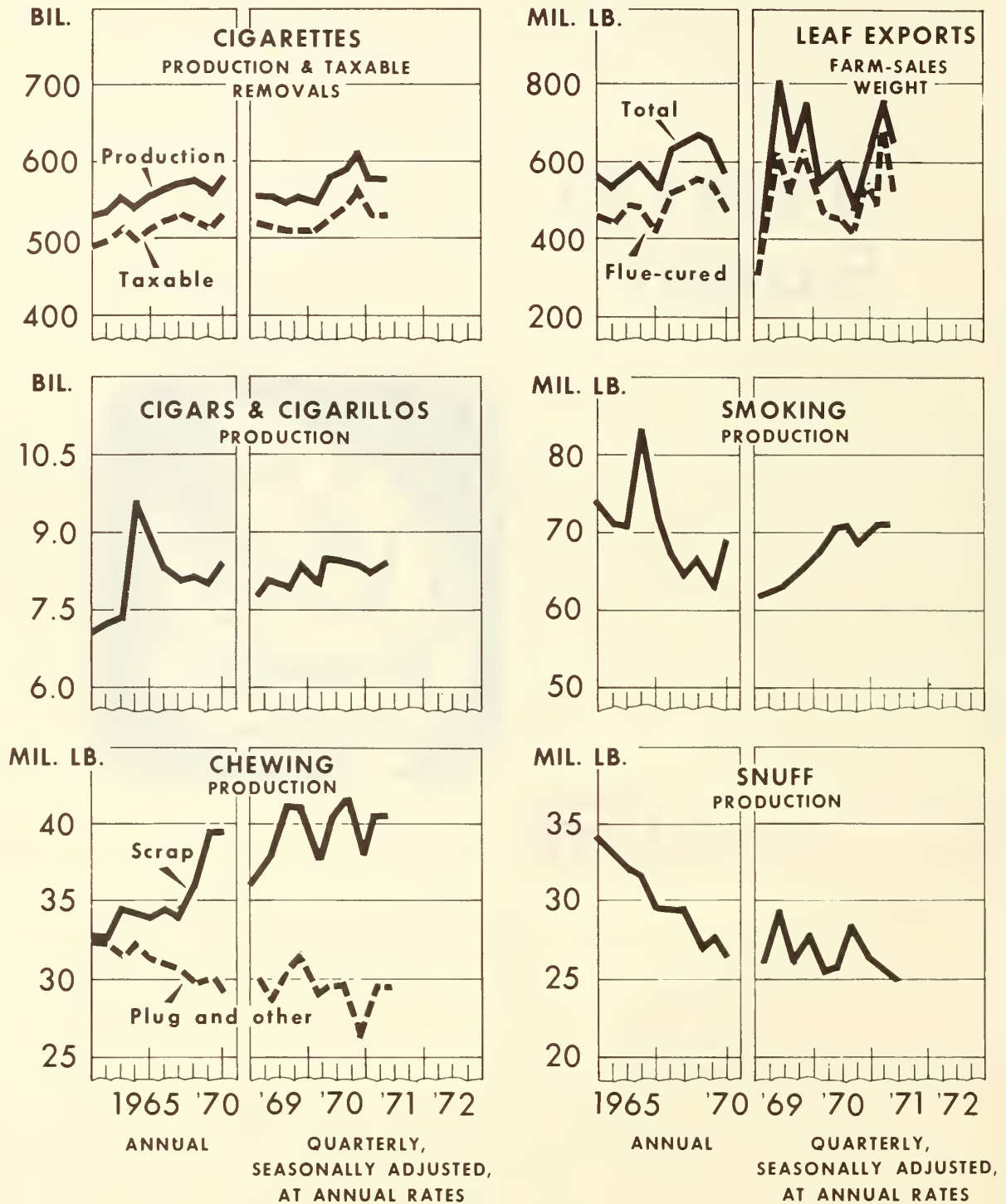


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# TOBACCO OUTLETS

## Recent Trends in Manufactured Products and Exports



# TOBACCO SITUATION

## CONTENTS

	Page
Summary .....	3
Tobacco Products .....	4
U.S. Exports and Imports .....	7
Tobacco Leaf Situation and Outlook .....	10
World Tobacco Trade Review .....	25
Foreign News Briefs .....	27
Trends in Cash Receipts from Tobacco <i>4607</i> .....	29
Statistical summary .....	34
List of tables .....	36

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The Tobacco Situation is published in March, June, September, and December.

## SUMMARY

Total use of U.S. leaf tobacco for the 1970/71 marketing year is falling short of the previous year's level despite record-high U.S. and foreign cigarette output. Leaf use will about equal the 1970 crop. As a result, the carryover of U.S. tobacco will remain much the same as last year's 3.68 billion pounds, which were the lowest stocks since 1953.

Last fall's new cigarette brands and a leveling-off of cigarette prices boosted domestic cigarette consumption (taxable removals, less estimated inventory increase) for the 10 months ended April 1971 about 2 percent above a year earlier. Consumption in calendar 1971 is expected to total slightly above last year's 536 billion. Cigarette output in the year ending June 30 is likely to be up about 5 percent from the 562 billion cigarettes produced the previous year.

In contrast to the cigarette gain, cigar and cigarillo consumption for the year ending June 30 remains about the same as the 8.1 billion in 1969/70. Smoking and chewing tobacco and snuff production may remain about the same as in 1969/70.

Unmanufactured tobacco exports made a sizable recovery in March and April, bringing the July 1970-April 1971 total to 4 percent below the same period a year earlier. The total for the year ending June 30 will be down a similar percentage from the 571 million pounds of the previous year. The farm-sales weight of exports totals 620 million pounds, slightly below 1969/70. Exports to Japan and West Germany have gained this season; the United Kingdom has taken less.

In July-December 1971, exports may equal the 300 million-pound level of a year earlier. Favorable economic conditions continue to increase the demand for tobacco in the major West European markets where much of our exports go.

Flue-cured exports were down slightly during July 1970-April 1971, principally due to smaller shipments to the United Kingdom. For the year ending June 30, flue-cured exports are expected to total about 390 million pounds (520 million, farm-sales weight)—about 3 percent below those of 1969/70. Burley exports for the crop year ending September 30 may reach last year's 48 million pounds (58 million, farm-sales weight).

Although cigarette tobacco imports for consumption during July 1970-April 1971 gained 5 percent, cigar leaf imports this season gained 9 percent. U.S. manufacturer's stocks of imported cigarette tobacco on April 1 were 9 percent below a year earlier and the smallest for that date since 1966. Cigar leaf imports this season gained 9 percent. U.S. stocks of foreign-grown cigar tobacco were 1½ percent above a year earlier.



Despite the upturn in U.S. cigarette output, domestic flue-cured use in the year ending June 30 is falling about 5 percent below last season's 23-year low. Allowing for slightly lower exports, total disappearance for the crop will drop about 4 percent below the 1.2 billion pounds of last season. Disappearance will fall short of the 1970 crop, so the July 1971 carryover of flue-cured will likely rise about 2 percent above the 1.95 million pounds of a year earlier.

Based on March 1 intentions, this year's flue-cured crop is projected 14 percent smaller than last year. For the new season, the total supply—estimated carryover plus the projected 1971 crop—may be about 4 percent below 1970/71. Auctions for the 1971 crop are expected to open in the second half of July on type 14 (Ga.-Fla.) and type 13 (S.C.-N.C.).

Poundage control legislation for burley tobacco was enacted in April, and in a May 4 referendum, growers voted favorably for poundage quotas on their 1971-73 crops. The new legislation authorizes lease and transfer of quotas within counties and after 1973 abolishes minimum acreage provisions that applied since World War II.

Available data suggest about the same total

disappearance of burley tobacco as last season's 564 million pounds. Total use could exceed last year's crop, leaving a carryover next October 1 slightly below last year's 1,343 million pounds. With the 1971 poundage quota determined by the new law a little below last year's output, supplies will remain ample in 1971/72.

Auction markets for the 1970 crop of Maryland tobacco began April 13 and are scheduled to end June 25. Through June 18, prices averaged 79 cents per pound compared with 75 cents a year earlier. Quality of offerings gained, and prices for most grades increased. Although this year's Maryland crop output may be near 1970, a smaller carryover will result in another reduction in supply next season.

Disappearance of fire-cured and dark air-cured tobaccos in the current marketing year may be a little lower than last season. Use of domestic cigar tobaccos is declining. Nevertheless, usage estimated for most of these types, will exceed last year's crop, leaving less carryover into 1971/72. Tentative 1971/72 supplies—estimated carryover plus prospective production—are lower than the previous season for fire-cured, dark air-cured, cigar filler, and wrapper, but about the same for binder tobacco.

## TOBACCO PRODUCTS

### Cigarette Use Rising Again

Based on state tax data, cigarette consumption during the 10 months through April 1971 rose 2½ percent above the same period in 1969/70. The January-April gain was 3 percent. Since adult population is increasing about 1½ percent annually, per capita use stayed about the same. Cigarette commercials on radio and television stopped January 2 and anti-cigarette announcements have decreased considerably. Manufacturers brought several new brands on the market in late 1970 and retailers are buying ahead in anticipation of State tax increases.

Cigarette consumption by U.S. smokers (including those overseas) in the year ending June 30, 1971, is up 2 percent to an estimated 540 billion cigarettes. Domestic consumption is gaining, while shipments to overseas forces are down (table 1).

Total U.S. cigarette output in 1970/71 is estimated about 590 billion—about 5 percent above last year. This includes about 30 billion cigarettes for exports, 3.5 billion for Puerto Rico and other U.S. possession, and 16 billion inventory accumulation. During the 10 months through April 1971, exports rose 4 percent, reflecting the continuing upward trend in world cigarette consumption (table 2). Manufacturers added about 15 billion cigarettes to their inventories with new brands in late 1970 and as a strike hedge for early 1971 labor negotiations.

Retail price gains have slowed in the past 12 months. Since last July, 9 States increased cigarette tax rates, compared with 16 States and the District of Columbia in 1969/70 and 8 States in 1968/69.

Table 2.—Cigarettes: U.S. exports to leading destinations, 1968-71

Country	July-April <sup>1</sup>			1970/1971 as per- cent of 1969-70
	1968- 1969	1969- 1970	1970- 1971	
	Millions	Millions	Millions	Percent
Hong Kong . . . . .	2,360	2,126	1,937	91
Spain . . . . .	1,253	1,044	1,420	136
Netherlands Antilles . . . . .	1,069	1,047	1,138	109
Kuwait . . . . .	874	1,133	749	66
Panama . . . . .	938	1,256	857	68
W. Germany . . . . .	426	495	622	126
Italy . . . . .	450	675	625	93
Paraguay . . . . .	653	609	433	71
Canary Islands . . . .	475	501	733	146
France . . . . .	279	275	196	71
Ecuador . . . . .	269	265	677	255
Other . . . . .	11,526	13,178	14,112	107
Total . . . . .	20,570	22,604	23,499	104

<sup>1</sup> Subject to revision

U.S. Bureau of Census.

Table 1.--Cigarettes: Output, removals, and consumption, 1960-71

Year	Output	Removals					Total U.S. consump- tion <u>3/</u>
		Taxable	Tax-exempt				
			Total	Exports	Puerto Rico <u>1/</u>	Overseas forces <u>2/</u>	
<u>Billions</u>							
1960	506.9	470.1	37.0	20.2	2.5	14.3	484.4
1961	528.3	488.1	39.6	22.2	2.8	14.6	502.7
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968	579.5	523.0	53.8	26.5	4.7	22.7	545.6
1969	557.6	510.5	47.1	25.0	3.7	18.4	528.9
1970 <u>4/</u>	583.2	532.8	51.2	29.1	3.7	18.4	<u>5/</u> 536.4
<u>Year ending June 30 --</u>							
1964	535.0	495.1	40.8	23.7	3.5	13.6	508.7
1965	562.4	517.0	43.9	25.1	3.7	15.1	532.1
1966	562.7	516.1	47.2	23.4	4.1	19.7	535.8
1967	572.8	524.9	47.7	23.8	3.7	20.2	545.1
1968	570.7	522.6	48.7	23.5	4.1	21.1	543.7
1969	573.0	520.3	51.5	25.8	4.4	21.3	541.6
1970	562.2	511.7	51.0	28.6	3.8	18.6	530.3
1971 <u>6/</u>	588.0	541.0	49.0	30.0	3.5	15.5	<u>7/</u> 540.0

1/ Also includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.

2/ Also includes ship stores and small tax-exempt categories.

3/ Taxable removals plus overseas forces.

4/ Subject to revision.

5/ Excludes 14.8 billion inventory increase (estimated).

6/ Estimated.

7/ Excludes 16.5 billion inventory increase.

Compiled from reports of Internal Revenue Service and Bureau of the Census.

Table 3.--Cigars and smoking tobacco: Output, removals, and consumption

Year and item	U.S. factories			From			Total
	Removals			Puerto Rico	Imports	Exports	U.S.
	Output	Taxable	Tax-exempt	taxable			consumption
							<u>1/</u>
	<u>Millions</u>						
Large cigars and cigarillos							
1965	7,899	7,578	180	911	25	55	8,638
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,858	6,845	197	1,099	30	76	8,095
1968	7,183	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970 <u>2/</u>	7,091	6,701	162	1,259	46	59	8,109
	<u>Year ending June 30 --</u>						
1965	8,445	7,912	176	850	25	45	8,918
1966	7,517	7,332	210	1,034	25	70	8,531
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	38	77	8,135
1969	6,868	6,633	156	987	46	62	7,760
1970	7,098	6,755	165	1,186	47	58	8,095
1971 <u>3/</u>	7,000	6,760	145	1,210	45	60	8,100
	<u>Million pounds</u>						
Smoking tobacco <u>4/</u>							
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.1	68.8
1970 <u>2/</u>	69.4	65.6	1.5	---	8.4	1.1	74.4
	<u>Year ending June 30 --</u>						
1965	74.1	71.4	3.0	---	2.5	1.1	75.8
1966	69.8	65.4	2.4	---	2.8	1.0	69.6
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.3	69.8
1969	63.7	62.5	1.7	---	5.3	1.8	67.7
1970	67.2	64.2	1.6	---	7.0	.9	71.9
1971 <u>3/</u>	70.0	64.0	1.7	---	9.0	1.2	73.5

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Subject to revision. 3/ Estimated. 4/ After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales.

Compiled from reports of the IRS, Bureau of the Census, and C&MS, USDA.



## Cigar Volume Steadies

U.S. smokers and overseas forces smoked 6.7 billion cigars and cigarillos in the 10 months through April 1971, the same as a year earlier. For the 1971 fiscal year, consumption may remain at the 1969/70 level. The 1970/71 total would be 9 percent less, than the 1964/65 record. Cigar use in 1970/71 includes more from Puerto Rico, but fewer going to overseas forces (table 3). This year's demand has been weaker, in part reflecting the stronger cigarette demand.

According to the annual survey of the Cigar Manufacturers' Association of America, sales of cigarillo-size cigars (weighing over 3 pounds but not over 10 pounds per 1,000) totaled 2.9 billion in calendar 1970. The traditional-size cigar is generally more than double the weight of the average cigarillo. Cigarillo sales (based on taxable removals) in 1970 were 36.2 percent of total sales of large cigars and cigarillos. This compares with 32.3 percent for 1969, and well above the 13½ percent share at the start of the 1960's.

## Smoking and Chewing Tobacco

*Smoking tobacco production* for pipes and roll-your-own cigarettes rose 6 percent to 52.3 million pounds in the first 9 months of 1970/71. Domestic sales of 54.7 million pounds of smoking tobacco (including imports) during July 1970-March 1971 were 3 percent above the corresponding period of a year ago. U.S. manufacturers' sales remained the same; imports were higher. A jump in cigarette cut (roll-your-own) about offset declining pipe tobacco sales.

Smoking tobacco consumption in the United States for the year ending June 30 is estimated about 2 percent above the 1969/70 level.

*Smoking tobacco exports* in bulk during July 1970-April 1971 were 7½ million pounds larger than a year earlier. Continuing a trend of several years, exports probably will total one-third above the 20 million pounds of 1969/70 (table 4). Bulk tobacco exports have gained due to the growing overseas popularity of American-type blended cigarettes.

*Chewing tobacco* output in 1970/71 is estimated about the same as in the previous year as production of scrap chewing has steadied (table 4).

*Snuff* production in 1970/71 remained about the same as in 1969/70. The long-time trend is down.

## U.S. EXPORTS AND IMPORTS

### Leaf Exports Lag

For the year ending June 1971, exports of unmanufactured tobacco are estimated 20-30 million pounds below the above-average volume of 571 million pounds exported last fiscal year. Combined movement of tobacco under barter, short-term credit, and Public Law 480 could total a little larger than the 193 million pounds of fiscal 1969/70.

Table 4.—Tobacco products: Output, 1969-71

Item	Year ending June 30—		
	1969	1970 <sup>1</sup>	1971 <sup>2</sup>
	Million pounds	Million pounds	Million pounds
Chewing tobacco			
Plug .....	22.8	23.0	22.0
Twist .....	2.5	2.4	2.4
Fine-cut .....	4.0	4.9	4.8
Scrap .....	36.9	40.1	40.3
Total .....	66.2	70.4	70.5
Snuff .....	27.2	26.3	26.8
Smoking tobacco			
in bulk (exports) .....	20.4	20.1	27.0
	Million	Million	Million
Small cigars	631.6	870.8	900.0

<sup>1</sup> Subject to revision. <sup>2</sup> Estimated. Basic data compiled from reports of Internal Revenue Service and Consumer and Marketing Service, USDA.

During July 1970-April 1971, shipments totaled 467 million pounds of unmanufactured tobacco (export weight) 4 percent below a year earlier. The average value of exports increased 3 percent. January-April exports of 167 million pounds were substantially above the 128 million pounds in the same months of 1970, as the United Kingdom and West Germany, the 2 leading destinations, took sizable shipments (table 5). A delay in some shipments from the first half of the marketing year probably contributed to the high level in early 1971. Exports in May and June probably equaled the volume shipped during those months of 1970.

A decrease in exports of burley tobacco, accounts for most of the July-April decrease. Shipments of flue-cured, fire-cured, Maryland, and cigar tobaccos also have declined. Dark air-cured tobacco exports (including Black Fat) are up. Much of the July-April decrease occurred in exports to the United Kingdom. The U.K. takings totaled below those of 1966/67 and 1967/68, years when they also took more supplies from other

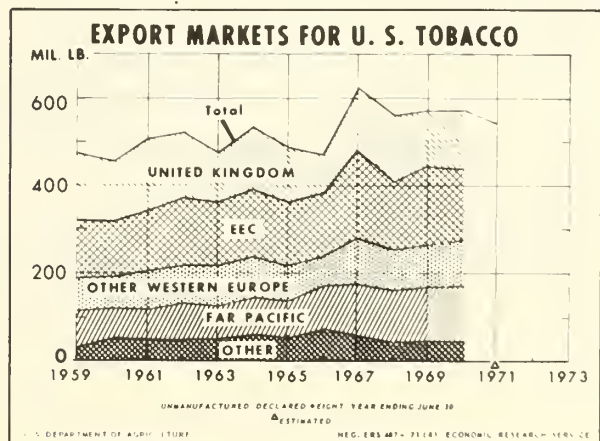


Table 5.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)							
Country and type	Average	1968	1969	1970	January-April		1971 as a percentage of 1970
	1963-67			1/	1970	1971	
					1/	1/	
	Million pounds						Percent
Flue-cured	400.0	443.5	429.6	367.3	88.1	129.1	147
Burley	46.8	42.8	52.0	41.4	10.7	8.2	77
Maryland	11.8	13.8	10.4	11.8	3.9	1.7	44
Fire- and sun-cured	24.4	25.5	25.5	25.1	6.5	6.8	105
Green River	.8	.5	.4	.3	.2	.9	450
One Sucker	.7	1.0	.4	.5	.2	.3	150
Black Fat, etc.	3.9	2.5	1.1	2.7	.9	1.0	111
Cigar wrapper	4.4	4.6	2.2	1.6	.5	.4	80
Cigar binder	1.7	2.2	.9	.3	.1	.1	100
Cigar filler	.9	.6	.6	.4	.1	2/	---
Perique	.3	.2	.1	.2	.1	.1	100
Stems, trimmings, and scrap	26.5	61.5	54.1	58.8	16.9	18.9	112
Total	522.2	598.8	577.5	510.3	128.1	167.5	131
Country of destination							
United Kingdom	124.9	146.7	134.2	95.4	17.8	34.7	195
France	6.7	6.9	8.6	9.0	3.8	3.2	84
Belgium	17.5	20.1	17.4	12.4	3.5	7.7	220
Netherlands	33.8	44.0	33.6	26.6	8.3	7.8	94
West Germany	92.9	88.6	102.2	92.6	19.7	33.3	169
Portugal	5.4	4.6	6.3	4.9	.3	2.3	767
Denmark	15.1	19.2	19.1	18.1	7.6	6.5	86
Ireland	12.8	15.0	10.5	10.2	3.4	5.7	168
Switzerland	15.5	24.8	26.4	24.7	10.2	7.8	76
Finland	6.3	5.5	5.9	5.0	.4	1.8	450
Norway	7.7	9.7	7.2	8.1	1.0	1.0	100
Sweden	16.0	16.9	13.9	19.5	3.7	2.5	68
Italy	8.1	5.0	19.5	3.1	2.8	4.1	146
Spain	3.4	5.5	4.1	3.0	2.9	4.2	145
Thailand	14.6	28.9	24.3	20.1	4.4	7.1	161
S. Vietnam	10.2	10.4	10.8	10.8	2.3	5.5	239
Malaysia 3/	6.8	10.9	10.9	11.8	4.0	3.5	88
Hong Kong	6.8	5.6	4.2	4.3	1.1	1.2	109
Japan	33.9	48.8	40.9	58.6	5.9	1.2	20
Australia	16.3	19.7	20.2	10.2	2.1	3.1	148
New Zealand	3.8	5.9	2.5	5.0	1.2	1.3	108
Egypt	12.4	.6	2.6	.6	.1	.9	900
Other countries	51.2	55.3	52.2	56.3	21.1	21.1	98
Total	522.2	598.8	577.5	510.3	128.1	167.5	131

1/ Preliminary.

2/ Less than 50,000 pounds.

3/ Malaysia and Singapore.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 6.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1970 and January-April 1970-71 <sup>1/</sup>

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Total 1970	January-April			Total 1970	January-April		
		1970	1971	1971 as a percentage of 1970		1970	1971	1971 as a percentage of 1970
--- Million pounds --- Percent								
Cigarette tobacco:								
Leaf, unstemmed								
Oriental								
Turkey	91.0	29.6	28.9	98	73.2	49.2	38.1	77
Greece	28.7	9.7	9.3	96	18.4	13.7	8.0	58
Yugoslavia	15.8	5.2	6.1	117	19.2	11.3	5.3	47
Other countries	6.3	1.7	3.4	200	14.8	3.6	7.6	211
Flue-cured and burley	7.8	1.0	.6	60	18.3	7.7	1.0	13
Sub total	149.6	47.5	48.1	101	143.9	85.6	60.1	70
Scrap								
Turkey	10.7	3.7	3.3	89	8.7	.2	1.2	600
Other countries <u>2/</u>	4.2	1.2	3.5	292	1.8	.7	.7	100
Total	164.4	52.4	54.9	105	154.4	86.4	62.0	72
Cigar tobacco:								
Wrapper	.8	.3	.2	67	1.7	.5	.4	80
Filler--stemmed and unstemmed								
Dominican Republic	1.2	.6	.4	67	7.6	4.6	6.5	141
Other countries	4.4	1.4	1.4	100	29.9	8.1	8.3	102
Sub total	5.7	1.9	1.9	100	37.5	12.8	14.9	116
Scrap								
Philippine Republic	22.3	8.5	8.1	95	18.4	5.8	6.5	112
Colombia	4.4	1.6	1.5	94	0	0	.3	---
Dominican Republic	6.6	2.2	2.1	95	1.4	.4	.4	100
Brazil	3.8	1.4	.9	64	.5	.2	.1	50
Other countries	10.3	3.2	3.1	97	4.6	2.7	1.1	41
Sub total	47.3	16.8	15.7	93	24.9	9.0	8.5	94
Total	53.8	19.1	17.8	93	64.0	22.3	23.9	107
Stems	.4	<u>3/</u>	.1	---	.3	<u>3/</u>	.1	---
Grand total	218.6	71.6	72.9	102	218.8	108.8	85.9	79

<sup>1/</sup> Preliminary.

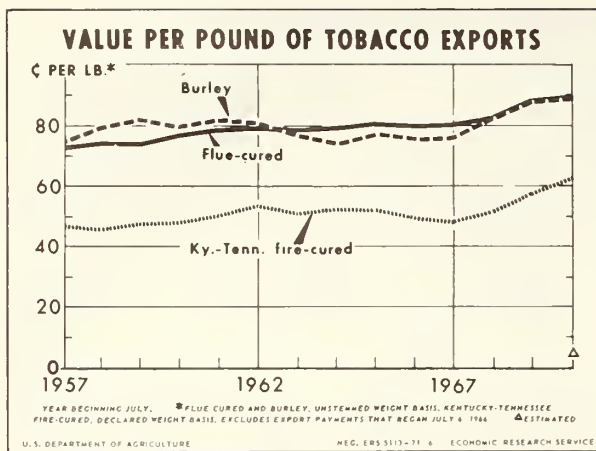
<sup>2/</sup> Canada, Greece, Cyprus, Lebanon, India, Korea.

<sup>3/</sup> Less than 50,000 pounds.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.





sources. Japan, Germany and several European countries took larger shipments. Australia took less.

Economic prospects for Europe and other U.S. markets continue favorable. Assuming that the U.N. sanctions continue against Rhodesia's sizable tobacco stocks, July-December 1971 exports may equal the 300 million pounds shipped during those months of 1970. Uncertainty about U.S. dockworkers' labor contracts

which expire September 15 could mean irregular shipping patterns in the rest of 1971.

### Imports Continue to Pick Up

U.S. tobacco imports for consumption (factory use of imports) during January-April 1971 were 2 percent above the year earlier level (table 6). Use of imported cigarette tobacco rose along with the gain in cigarette output. Cigar tobacco imports decreased from the high level of a year earlier. Tobacco from Turkey, the leading cigarette kind, decreased slightly.

January-April 1971 general imports of tobacco (total arrivals, i.e., direct entries plus that placed in bonded warehouses) totaled 86 million pounds, 13 million pounds below January-April 1970. The shipping pace for cigarette tobaccos remains below last year despite the gains in cigarette output but cigar tobacco continues to come in at record levels.

By April 1 this year, stocks of foreign-grown cigarette and smoking tobacco in the United States were 9 percent below a year earlier and the smallest for that date since 1966. At 386 million pounds (farm-sales weight) stocks were 16 percent under the record-high level of 3 years ago.

## TOBACCO LEAF SITUATION AND OUTLOOK<sup>1</sup>

### Burley Poundage Program Enacted

A poundage program for burley tobacco became law April 14 (P.L. 92-10) replacing acreage allotments that had been in effect continuously since 1940. In addition to authorizing poundage quotas, the legislation authorizes lease and transfer of quotas within counties. Minimum allotment provisions which had been in effect since World War II were abolished. Growers voted overwhelmingly in favor of the program for the next 3 crops in a May 4 referendum. (See burley section for details).

### 1971 Price Support Program

The price support loan program for the 1971 tobacco crop, announced May 26, is similar to the one in effect for many years. Support level is increased about 4.2 percent over 1970. Price support will be made available to eligible producers through non-recourse loans to producer associations.

The increase in 1971 support levels is required by law and reflects higher prices for goods and services bought by farmers during the past 3 calendar years, compared with 1959 average prices paid by farmers.

Tobacco producers will again be required to certify they did not use DDT and TDE insecticides on their tobacco crop after transplanting if they wish to receive price support. Because of extremely low legal tolerance

levels in overseas markets, U.S. exports face sharp reductions if DDT and TDE are used.

### 1971 Crop Prospects

A cool spring slowed plant bed development over most of the tobacco belt. By mid-June tobacco setting was completed in North Carolina and Virginia, but behind last year in Kentucky and Tennessee. Harvesting of both flue-cured and shade-grown tobacco is underway in Georgia and Florida.

Auctions for the 1971 flue-cured crop will begin during the second half of July, after marketing schedules are worked out by the industry-wide Flue-cured Tobacco Marketing Committee. The opening date depends somewhat on the maturity of the crop. The 1970 season began on July 22 for type 14 (Ga.-Fla.) markets and July 28 for type 13 (S.C.-N.C.) markets.

Prospects for the new crop will be an important influence on prices received by farmers when the 1971 auction season opens. With a smaller tobacco crop this season than last, domestic manufacturers and exporters may buy a larger proportion of the crop than last season. Prices are expected to average a little above last year's, due to the 4-percent higher support level.

On July 9, USDA's Crop Reporting Board will release its first forecast for 1971 flue-cured tobacco production, acreage for harvest, and the indicated yield. Subsequent monthly reports, beginning August 11, will also cover burley and other kinds (table 7).

<sup>1</sup> All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 7.—Tobacco: Acreage and yield per acre,  
United States, 1960-71

Year	Flue-cured, types 11-14	Burley, type 31	Total, types 11-72
	<i>Thousand acres</i>	<i>Thousand acres</i>	<i>Thousand acres</i>
Average: 1960-64 ...	688.4	319.7	1,187.7
1965 .....	562.3	277.1	993.9
1966 .....	607.0	240.7	982.9
1967 .....	610.3	237.7	967.4
1968 .....	533.0	237.6	886.2
1969 .....	576.8	237.7	924.5
1970 .....	584.1	216.4	902.6
1971 <sup>1</sup> .....	538.7	216.4	858.6
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>
Average: 1960-64 ...	1,945	1,941	1,863
1965 .....	1,883	2,116	1,882
1966 .....	1,825	2,437	1,932
1967 .....	2,070	2,274	2,045
1968 .....	1,841	2,372	1,939
1969 .....	1,825	2,488	1,958
1970 .....	2,042	2,590	2,118

<sup>1</sup> Prospective plantings, March 1, except projected for types 31 and 46.

### Flue-cured

#### Trade Stocks Steadying

April 1 stocks of flue-cured tobacco (types 11-14) reported by the Consumer and Marketing Service totaled 2,234 million pounds, 1 percent more than a year earlier. Total under CCC loan increased 4 percent to 802 million pounds, but privately-held stocks (manufacturers and dealers) steadied at year earlier levels; this contrasted with a downtrend during 1965-70 (table 8).

Total disappearance during the first 9 months of the 1970/71 marketing year, July 1970-March 1971, was 897 million pounds, 49 million lower than a year earlier. Domestic disappearance was off 6 percent to 480 million pounds; exports also were lower. Since cigarette production was up 7 percent, and use of other cigarette tobaccos, including imports, held its own, manufacturers are apparently further reducing the flue-cured proportion in cigarettes.

#### Exports Recover

Flue-cured exports surged ahead in January-April and made up most of an earlier deficit. For the 10 months through April, U.S. flue-cured exports totaled 460 million pounds—1 percent below the same period of a year earlier.

The United Kingdom, which took 126 million pounds in July-April, remains the largest single destination for U.S. flue-cured tobacco. This volume was 12 percent below a year earlier. U.K. cigarette sales dropped earlier this year when a smoking and health report brought unfavorable publicity. Also,

manufacturers are uncertain about the eventual U.K. entry into the European Community, and they continue to take more lower-cost imports from other sources.

With a booming cigarette market, West Germany is taking more U.S. tobacco, despite the restrictive features of the EC tobacco program. Japan, Thailand, South Vietnam, Belgium, and Sweden were among those countries taking more U.S. flue-cured tobacco.

#### Disappearance Down

Disappearance of flue-cured tobacco in the 1970/71 marketing year ending June 30 is about 4 percent below the 1,200 million pounds used in 1969/70 (table 9) or 6 percent below the 1964-68 marketing year average.

Domestic use probably totals 5 percent below the 665 million pounds of 1969/70 and the lowest since 1943/44. Exports, however, may be 3 percent below the 535 million pounds exported last year. Based on these prospects, total disappearance is 1,150 million pounds, slightly below the 1970 marketings. The carryover would be 1 percent more than a year earlier, but 22 percent below the 1965 record.

Flue-cured loan stocks on June 30 remain relatively large. During July 1970-May 1971, 111 million pounds were sold, about the same as a year earlier, but considerably below the 151 million pounds sold in July 1968-May 1969. Unsold Government loan stocks on May 31, 1971, totaled 749 million pounds, compared with 718 million pounds a year earlier. The record level was 960 million pounds on January 1, 1965.

#### 1971 Flue-cured Acreage Declines

Flue-cured growers are expected to have set about 8 percent less acreage in 1971 due to the lower effective quota. This means harvested acreage will again fall short of allotted acreage. In the South Atlantic States farm

U.S. flue-cured tobacco exports principal countries,  
1968-71 (export weight)

Country	July-April		
	1968-69	1969-70	1970-71
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
United Kingdom .....	84	100	88
West Germany .....	59	51	67
Japan .....	31	38	41
Netherlands .....	20	16	12
Ireland .....	8	9	8
Thailand .....	17	18	21
Australia .....	14	16	9
Belgium .....	11	9	11
Denmark .....	8	13	9
Switzerland .....	8	10	8
Sweden .....	7	6	9
South Vietnam .....	7	4	9
All others .....	52	70	62
Total*	326	360	354

\*Based on unrounded data.



Table 8.--Tobacco stocks: Flue-cured and burley,  
beginning of marketing year or month, 1965-71

(Farm-sales weight)							
Year <u>1</u> / and month	Flue-cured			Burley			
	Held by trade	Under loan	Total <u>2</u> /	Held by trade	Under loan	Total <u>2</u> /	
<u>Million pounds</u>							
1965	1,637	919	2,555	1,099	316	1,416	
1966	1,602	836	2,439	1,133	262	1,395	
1967	1,587	685	2,273	1,105	277	1,382	
1968	1,528	773	2,301	1,002	322	1,324	
1969	1,300	800	2,100	976	340	1,317	
1970	1,208	745	1,953	888	455	1,343	
<u>1970:</u>							
January	1,652	791	2,443	1,155	433	1,588	
April	1,437	770	2,207	1,160	470	1,631	
July	1,208	745	1,953	1,031	465	1,496	
October	1,623	787	2,410	888	455	1,343	
<u>1971:</u>							
January	1,657	847	2,504	1,168	486	1,654	
April	1,432	802	2,234	1,143	485	1,628	

1/ July 1 for flue-cured and October 1 for burley.

2/ Based on unrounded data.

Table 9.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, July 1	Supply	Disappearance <u>1/</u>		
				Total	Domestic	Exports
<u>Million pounds</u>						
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	687	587
1967	<u>2/</u> 1,250	2,273	3,523	1,221	687	534
1968	<u>2/</u> 996	2,302	3,298	1,198	673	525
1969	1,053	2,100	3,153	1,200	665	535
1970	<u>2/</u> 1,178	1,953	3,131	*1,150	*630	*520
1971 <u>3/</u>	*1,010	*1,981	*2,991			
<u>Placed under Government loan</u>						
	Average price per pound	Price support level <u>4/</u>	Quantity	Percentage of crop	Remaining in Government loan stocks on May 31, 1971 <u>5/</u>	
<u>Cents</u> <u>Million pounds</u> Percent <u>Million pounds</u>						
1960	60.4	55.5	51.8	4.1	0	
1961	64.3	55.5	70.3	4.6	0	
1962	60.1	56.1	237.2	16.8	0	
1963	58.0	56.6	277.2	20.2	73.0	
1964	58.5	57.2	285.6	20.7	67.0	
1965	64.6	57.7	71.5	6.8	32.9	
1966	66.9	58.8	74.6	6.8	53.4	
1967	64.2	59.9	282.1	22.6	197.4	
1968	66.6	61.6	128.8	12.9	94.6	
1969	72.4	63.8	97.6	9.3	90.9	
1970	72.0	66.6	144.2	12.2	138.6	
1971		69.4				
Total	---	---	1,720.9	---	747.8	

1/ Year beginning July 1. 2/ Sales. 3/ Subject to revision. 4/ For 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than farm-sales weight figures.  
\* Estimated; production based on intended acreage and projected yield.

wage rates so far this year average 2 percent over 1970 and the farm work force is down 3 percent.

The 1971 effective flue-cured acreage allotment, reflecting last year's net undermarketings, is about 583,000 acres, and the effective poundage allotment is about 1,080 million pounds, down a tenth from last year. In 1970, growers leased a fifth of the poundage quota from other allotment owners residing in the same county; the proportion may have increased further this year.

Lease and transfer of allotments

Year	Flue-cured lease and transfer	
	Thousands acres	Million pound
1962 .....	23.7	--
1963 .....	33.1	--
1964 .....	41.8	--
1965 .....	50.2	--
1966 .....	80.1	138.0
1967 .....	97.2	167.6
1968 .....	122.9	214.6
1969 .....	131.8	230.3
1970 .....	146.3	255.1

If farmers carry out their March 1 intentions, about 539,000 acres will be grown this year. Assuming a normal growing season and yields, modified by the acreage-poundage program, the crop computes out to about 1 billion pounds. Production at this level, plus the prospective carryover, would give a total 1971/72 supply around 5 percent below the 3,130 million pounds in 1970/71.

#### 1971 Price Support Details

USDA announced on June 9 the 1971 loan rates for the various grades. Rates range from 42 cents to 95 cents a pound for untied leaf, reflecting the national average support level of 69.4 cents a pound. This is about 4.2 percent above 1970. Grade price supports were increased from 1 to 5 cents per pound over 1970 levels. Of the 160 grades, 61 were increased 2 cents per pound and 70 went up 3 cents. The largest increase is for nondescript and lower-grade primings, which usually sell for prices well above the loan rate. Price supports on tied tobacco will be 3 cents per pound higher than for untied tobacco of like grade, the same as last year.

Also, as in the past, no price support will be offered in 1971 on any tobacco graded N (Nondescript 2), No-G (No Grade), U (Unsound), W (Doubtful keeping order) or scrap. Marketing of such tobacco, however, will be charged against individual farm quotas to discourage the marketing of these grades.

#### Burley

#### Growers Approve Poundage Program

A new burley poundage control program became law on April 14 (P.L. 92-10). The new program, authorized by an amendment to the Agricultural Adjustment Act of 1938, permits USDA to reduce quotas on half-acre-or-less allotment farms that could not be reduced under the previous law.

USDA proclaimed national marketing quotas for the 1971, 1972, and 1973 marketing years on April 20. Then in a May 4 referendum, 96.6 percent of 328,608 producers voted for poundage marketing quotas.

The new measure authorizes poundage cuts of up to 5 percent from the quota base this year on all burley farms. Last year, about 60 percent of the burley allotments, covering 30 percent of the total acreage, were one-half acre or less. During 1972 and 1973, USDA can further cut poundage quotas on minimum quota farms up to 2½ percent each year, and cut poundage quotas up to 5 percent on larger quota farms. Thereafter, the national quota can't be less than 95 percent of projected disappearance, and the same percentage cut applies for all farms.

A quota of about 555 million pounds was allocated to farms for this season. The individual farm quota is the result of multiplying the 1970 farm acreage allotment by the farm yield. A farm yield was established for each burley farm by averaging the farm's yield per acre for the 4 highest of the 5 years, 1966-70. Farm marketing quotas for 1971 are not less than 95 percent of the 1970 farm acreage allotment multiplied by the farm yield. The new legislation allows growers for the first time to lease and transfer burley quotas to other burley farmers within the same county—up to 15,000 pounds to any one farm.

For several years under acreage allotments, burley yields had gained rapidly and CCC loan stocks built up. Under the old program for 1971, growers faced a 30 percent cut on allotments not protected by minimum provisions.

#### First Half Burley Use Steady

Despite a disappointing export season, the booming cigarette output maintained burley tobacco use for the first half of the marketing year (October-March). At 275 million pounds, disappearance was only 1 million pounds smaller than a year earlier. The 6-month domestic use totaled 255 million pounds, about 7 million pounds above 1969/70. At the same time, cigarette output rose 7 percent.

For the first 7 months this marketing year, burley exports totaled 22 million pounds—10 million pounds below a year earlier. Italy accounted for most of the decline. Thailand and Switzerland also took less. West Germany and Sweden took more. Value of burley exports averaged 93 cents per pound for October-April, about the same as in 1969/70 (unstemmed leaf basis).

Table 10.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance <u>1/</u>			Exports
				Total	Domestic		
<u>Million pounds</u>							
1960	485	1,191	1,676	549	508		41
1961	580	1,127	1,707	570	525		45
1962	675	1,137	1,812	584	531		53
1963	755	1,228	1,983	571	514		57
1964	620	1,412	2,032	616	560		56
1965	586	1,416	2,002	607	550		57
1966	587	1,395	1,982	600	544		56
1967	541	1,382	1,923	599	546		53
1968	563	1,324	1,887	571	516		55
1969	591	1,316	1,907	564	506		58
1970	561	1,343	1,904	*570	*510		*60
1971 <u>2/</u>	**555	*1,334	*1,889				
	Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on May 31, 1971 <u>4/</u>		
			Quantity	Percentage of crop			
	<u>Cents</u>		<u>Million pounds</u>	<u>Percent</u>	<u>Million pounds</u>		
1960	64.3	57.2	8.4	1.7	0		
1961	66.5	57.2	10.3	1.8	0		
1962	58.6	57.8	63.5	9.4	3.7		
1963	59.2	58.3	202.3	26.8	39.7		
1964	60.3	58.9	110.4	17.8	49.3		
1965	67.0	59.5	42.2	7.2	35.1		
1966	66.9	60.6	62.5	10.6	49.0		
1967	71.8	61.8	64.2	11.9	51.3		
1968	73.7	63.5	56.2	10.0	53.6		
1969	69.6	65.8	158.5	26.8	153.2		
1970	72.2	68.6	47.7	8.5	47.4		
1971		71.5					
Total	---	---	826.2	---	5/482.3		

1/ Year beginning October 1. 2/ Subject to revision. 3/ For 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ About 11 million pounds of these holdings have been sold. \* Estimated.  
 \*\* Not indicated production, but poundage marketing quota.



## Carryover to Decline

April 1 stocks of burley totaled 1,628 million pounds, about the same as a year earlier. By May 31, Government loan stocks were 1 percent larger than the 476 million pounds of a year earlier. Due to larger trade purchases last season, loan associations have sold less tobacco so far this season. The boost in cigarette production means domestic utilization of burley tobacco this season may equal the 506 million pounds used in 1969/70. Italy bought a sizable shipment this spring so the export total may equal last year's record 58 million pounds. Based on these prospects, disappearance would total a little above the 564 million pounds of last season. This would leave an October 1 carryover about 1 percent below a year earlier (table 10).

A crop near the size of the poundage quota, plus the tentative carryover, would give total 1971/72 supplies near the 1.9 billion pounds in 1970/71.

## Maryland

### Maryland Prices Boosted Again

With better quality offerings than last year and most grades prices higher, this season's Maryland tobacco prices moved to another record high. The 1970 crop was estimated about 2 percent below the previous year's outturn. Auction sales of the Maryland crop (type 32) began April 13 and ended June 25. Data through June 18 this year and for the same period in 1970 are:

Maryland auction sales		
Year	Net sales	Average price
	<i>Million pounds</i>	<i>Cents/pound</i>
1970 .....	25.5	75.3
1971 .....	27.6	78.8

Market receipts of Maryland tobacco thus totaled about the same as the estimated 1970 crop. The hogshead market moved from Baltimore to Cheltenham, Md., and opened for competitive sealed bids on June 15. Maryland tobacco has not been eligible for government price support since the 1966 crop when growers did not approve marketing quotas.

Disappearance of Maryland tobacco during the first half of the marketing year (October 1970-March 1971) was 21 million pounds—about the same as a year earlier. The chief domestic outlet for Maryland tobacco is in the manufacture of cigarettes. With the gain in cigarette production since October, U.S. manufacturers boosted use of Maryland tobacco.

In the first 7 months of the current marketing year, exports were 2 million pounds below the low level of a year earlier, and about 1 million pounds below the average of the 3 previous years. Decreased exports to

Switzerland, the principal foreign outlet for Maryland tobacco, and Belgium accounted for the decline. Maryland tobacco accounted for about 9 percent of total Swiss tobacco imports in 1970.

## Carryover to Decline Again

For the 1970/71 season ending in September, disappearance of Maryland tobacco is expected to fall short of last season's 41 million pounds, but equal the 5-year average (1964-68) (table 11). Domestic use will be near the past season's level. A smaller export level is expected. Carryover next January 1 may decline about one-fifth from this year because disappearance exceeds production.

Based on farmers' March acreage intentions and average yields the 1971 Maryland crop would rise about 5 percent above the 1970 crop. The 1971/72 supply would be about 9 percent below the 77 million pounds for this season and the lowest since 1945/46.

## Fire-cured, Dark air-cured

Supplies of fire-cured and dark air-cured tobaccos are dropping. Loan receipts from the 1970 crop fell sharply below the previous season's receipts. Loan associations have made sizable sales, so by May 31 loan holdings were well below year-earlier levels.

### Fire-cured and dark air-cured tobacco loan stocks, 1968-71

(Farm-sales weight)				
Type	End of May			
	1968	1969	1970	1971
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
Virginia type 21 .....	3.1	2.3	1.5	1.1
Ky.-Tenn., types 22-23 .....	24.8	14.5	12.4	8.1
Ky.-Tenn., types 35-36 .....	19.7	15.9	19.4	18.0

## Fire-cured Disappearance Declining

Disappearance of fire-cured tobacco (types 21-23) during the first half of the marketing year that began October 1, 1970, was 23 million pounds—about 4 million pounds below a year earlier. Including Black Fat, exports were a little larger, but domestic disappearance slumped. For the year, disappearance 5 percent below last year is expected. The 1970/71 use would exceed last year's output by about 11 million pounds. Carryover stocks this October would fall about one-sixth (table 12).

Due to the record-high average price in the 1970/71 markets, fire-cured growers may expand acreage this year. Most of the increase is expected in the Kentucky-Tennessee area. The 23,900 acres intended for 1971 with an average yield adjusted for trend, would



Table 11.--Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Stocks, following January 1 --			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
1965	33.5	1,150	38.5	70.0	20.2	90.1	128.6
1966	35.0	1,030	36.0	68.2	21.5	89.7	125.7
1967	31.5	1,030	32.4	68.2	18.1	86.3	118.7
1968	30.0	1,065	32.0	74.5	7.0	81.5	113.5
1969	28.0	1,000	28.0	66.7	0	66.7	94.7
1970 <sup>1</sup>	26.0	1,060	27.6	50.1	0	50.1	77.7
1971	28.0		*29.0		0	*41.0	*70.0
	Disappearance <sup>2/</sup>			Average price	Price support	Placed under Government loan	
	Total	Domestic	Exports	per pound	level	Quantity	Percentage of crop
	Million pounds			Cents		Million pounds	Percent
1965	35.7	24.7	11.0	65.5	52.8	2.7	7.0
1966	40.2	23.7	16.5	48.6		No price support	
1967	36.0	20.3	15.7	62.4		No price support	
1968	48.7	38.3	10.4	69.8		No price support	
1969	41.3	29.1	12.2	75.1		No price support	
1970	*38.0	*28.0	*10.0	*78.8		No price support	
1971						No price support	

<sup>1/</sup> Subject to revision. <sup>2/</sup> Year beginning October 1. \* Estimated; production based on intended acreage and projected yield; price is auction market average through June 18.

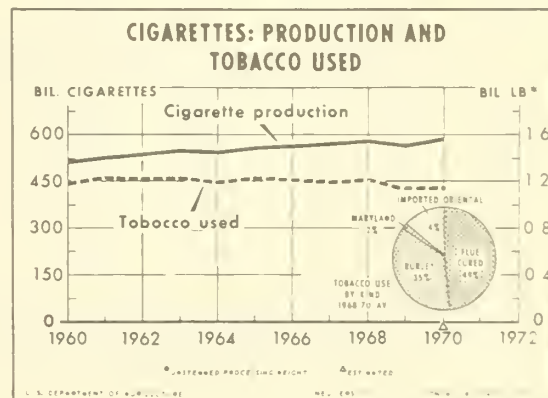
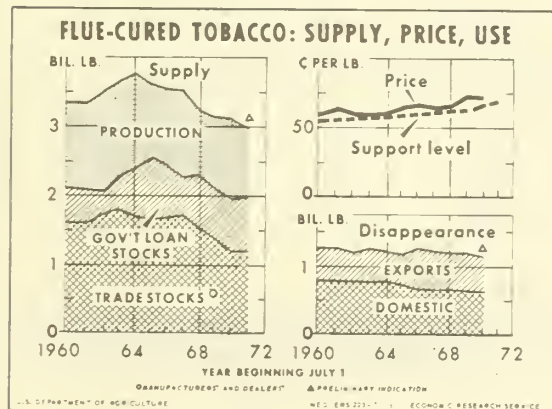


Table 12.--Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1 --			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		----- Million pounds -----			
Kentucky-Tennessee fire-cured, types 22-23							
1965	23.2	1,574	36.6	72.5	32.3	104.8	141.4
1966	21.0	1,919	40.2	69.9	25.9	95.8	136.0
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971 <u>1/</u>	18.8		*35.4			*55.2	*90.6
Virginia fire-cured, type 21							
1965	7.6	1,260	9.6	12.3	3.3	15.6	25.2
1966	6.0	1,255	7.5	13.4	3.5	16.9	24.4
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971 <u>1/</u>	5.0		*6.6			*8.5	*15.1
Disappearance			Average price	Price support	Placed under Government loan		
Total	Domestic	Exports	per pound	level	Quantity	Percentage of crop	
Million pounds			Cents		Million pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23							
1965	45.6	18.0	27.6	43.6	40.4	2.3	6.3
1966	44.7	21.0	23.7	42.2	41.1	6.3	15.7
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	38.7	<u>2/</u> 19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	*39.5	*15.0	*24.5	54.4	46.6	<u>3/</u>	.1
1971				48.5			
Virginia fire-cured, type 21							
1965	8.3	3.0	5.3	39.9	40.4	1.0	10.4
1966	9.6	2.3	7.3	41.2	41.1	.6	8.0
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	*7.5	*2.0	*5.5	52.0	46.6	.1	2.0
1971				48.5			

1/ Based on March 1 prospective plantings and average yield with allowance for trend and estimated stocks. 2/ Includes 4.7 million pounds fire loss. April 1969. 3/ Less than 50,000 pounds. \* Estimated.

Table 13.--Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		----- Million pounds -----			
Dark air-cured, types 35-36							
1965	11.3	1,639	18.5	40.6	21.3	61.9	80.4
1966	10.7	1,987	21.3	41.0	19.6	60.6	81.9
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971 <u>1</u> /	8.2		*15.8			*49.6	65.4
Sun-cured, type 37							
1965	1.8	1,105	2.0	4.3	0	4.3	6.3
1966	1.4	1,065	1.5	4.3	0	4.3	5.8
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971 <u>1</u> /	.9		*1.0		0	*2.9	*3.9
Disappearance			Average price	Price support level	Placed under Government loan		
Total	Domestic	Exports	per pound		Quantity	Percentage of crop	
---- Million pounds ----			Cents		Million pounds	Percent	
Dark air-cured, types 35-36							
1965	19.8	16.2	3.6	37.0	35.9	3.2	17.3
1966	21.4	17.0	4.4	37.3	36.6	4.7	22.1
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1970	*19.5	*17.0	*2.5	46.0	41.4	1.0	6.8
1971					43.1		
Sun-cured, type 37							
1965	2.0	1.7	.3	39.2	35.9	2/75	3.8
1966	1.6	1.2	.4	42.3	36.6	2/26	1.7
1967	1.6	1.2	.4	45.2	37.3	2/25	1.9
1968	1.3	1.1	.2	53.2	38.3	2/1	.1
1969	1.8	1.5	.3	52.8	39.7	2/1	.1
1970	*1.5	*1.2	*.3	53.8	41.4	2/3	.3
1971					43.1		

1/ Based on March 1 prospective plantings and average yields with allowance for trend and estimated stocks. 2/ Quantity placed under Government loan reported in thousand pounds. \* Estimated.



produce a crop of about 42 million pounds. This is nearly 15 percent larger than in 1970, but about the same as the 1965-69 average. The 1971/72 supply is indicated about 5 percent below that for this season.

Based on the 6 months' disappearance through March 1971, domestic use of the Virginia type may not change much this season from the 1969/70 level. But domestic use of the much larger-volume Kentucky-Tennessee types may decrease, following a sizable gain last season.

Exports of fire-cured tobacco in 1970/71 crop year may change little from 1969/70. Exports of 12.9 million pounds for types 22-23 during October 1970-April 1971 were 1½ million pounds below a year earlier. The Netherlands—first ranking outlet—decreased its takings 1 million pounds, but may take more in succeeding months. Decreased exports to France, the second-ranked outlet, are not likely to be made up.

Virginia fire-cured exports of 3.8 million pounds in October 1970-April 1971 were 1½ million above a year earlier. Exports to Norway, the leading destination, picked up. Sizable shipments went to Syria, which took none last year. In Malawi, another major fire-cured exporter, the 1971 crop is expected to recover to 27.5 million pounds, up from 22 million last year.

#### Dark Air-cured Supplies Declining

Total disappearance of dark air-cured tobacco (types 35-37) during the first half of the current marketing year was 10.5 million pounds, 3.5 million pounds less than a year earlier. Domestic disappearance fell after a big gain last year. For the year ending September 30, 1971, total disappearance may fall about one-sixth below last year. This would still exceed last year's production, leaving a carryover about 8 percent below last October 1 (table 13).

The 1971 intended acreage, with an average yield allowing for trend, would produce a larger crop than in 1970. But with tentative carryin stocks lower, the 1971/72 supply would total slightly below the 74 million pounds in 1970/71.

In the year ending in September domestic use of dark air-cured tobacco may drop from last year's high level. In the first half of the current marketing year, manufacture of plug, twist and fine-cut chewing tobacco—major domestic outlets for these types—was below a year earlier. Exports of dark air- and sun-cured tobacco in the 1970/71 crop year will probably not change much from the last year's 2.6 million pounds.

Exports of Black Fat tobacco, a semiprocessed product of mostly dark fire-cured and air-cured leaf, increased, reaching 1.6 million pounds in October 1970-April 1971. Since Nigeria boosted its takings substantially, the season's total could exceed the 2.5 million pounds of the past crop year.

During October 1970-April 1971, exports of One Sucker leaf were 500,000 pounds, 100,000 pounds over a year earlier. New Guinea accounted for the gain.

Exports of Green River leaf in October 1970-April 1971 rebounded to 1.1 million pounds as West Germany received a large shipment.

## Cigar Tobacco

### 1971 Cigar Tobacco Prospects

Supplies of domestic-grown cigar tobacco are declining further this year. For 1971/72, both lower carryin stocks and production are expected. Manufacturers are bringing more foreign leaf into the United States.

By April 1, holdings of U.S. and Puerto Rican cigar tobacco (types 41-62) totaled 213 million pounds, a decline of 18 million from a year earlier. The decrease was in the filler types; binder and wrapper types were up slightly. Foreign-grown cigar tobacco stocks in the United States on April 1 were 1-1/2 million pounds above a year earlier. Stocks from the Philippines, Dominican Republic, and Mexico gained.

During October 1970-April 1971, manufacturers used about 56 million pounds of imported cigar tobacco (imports for consumption)—3 million above a year earlier. Imports from the Philippines declined.

The acreage of U.S. cigar tobacco may be down again in 1971 following the long-time trend. The decline would occur in cigar filler and wrapper types. Binder acreage may be up slightly. USDA transferred 1,677 acres of Wisconsin binder allotments (types 54-55) and 663 acres of Ohio filler (types 42-44) to growers who wanted to increase their 1971 crop. Under terms of this annual reallocation USDA transferred the allotments from growers who did not wish to use their allotments this year.

### Cigar Filler Supply Lower, Disappearance Dropping

For the first half of the current marketing year (October-March) total disappearance of cigar filler tobacco was 28-1/2 million pounds—2 million pounds below a year earlier. Ohio and Puerto Rican filler were higher, but Pennsylvania filler was lower. During October 1970-April 1971, filler exports—a relatively small part of total disappearance—dropped to 55,000 pounds, compared with 360,000 pounds a year earlier. Canada, France, and Panama accounted for most of the filler exports last season but have taken no filler so far in 1970/71.

Based on historical trend and 1970/71 part-year data, total disappearance of Pennsylvania filler may drop a tenth from 1969/70. The 1970/71 disappearance of Puerto Rican tobacco may slightly exceed 1969/70's. Since filler disappearance may surpass production by about 19 million pounds, carryover on October 1 may total around 107 million pounds, lowest of any year on record (table 14).

**Cigar leaf tobacco price support operations, 1967-71**

**(Farm sales weight)**

Type	Placed under Government loan, crop years—				Remaining under loan, End of May			
	1967	1968	1969	1970	1968	1969	1970	1971
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
Ohio, 42-44 .....	0.4	0.1	( <sup>1</sup> )	0	0.4	0.1	0.1	0
Puerto Rican, 46 .....	1.2	4.9	4.2	1.6	1.7	2.0	3.3	6.1
Conn. Valley 51-52 .....	.1	( <sup>1</sup> )	.7	.6	2.3	1.3	2.1	2.4
Southern Wis., 54 .....	.2	( <sup>1</sup> )	( <sup>1</sup> )	0	.5	.2	0	0
Northern Wis., 55 .....	2.4	.4	0	0	8.0	3.6	0	0
Total .....	4.3	5.5	4.9	2.2	12.9	7.2	5.5	8.5

<sup>1</sup> Negligible.

**Foreign-grown cigar leaf tobacco: U.S. imports and stocks, 1968-71**

**(Farm-salesweight)**

Country of Origin	Imports for consumption				Dealers and manufactures stocks, April 1—			
	October— September 1969-70	October—April			1968	1969	1970	1971
		1968- 1969	1969- 1970	1970- 1971				
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
Philippines .....	35.3	19.8	22.7	21.7	26.7	42.9	42.1	45.0
Dominican Republic .....	10.1	5.6	7.0	6.9	16.8	14.3	11.5	13.3
Brazil .....	6.9	3.9	4.3	3.2	10.1	8.9	8.0	7.3
Colombia .....	6.9	3.7	4.9	3.8	8.9	7.4	9.4	6.8
Paraguay .....	2.4	1.0	2.9	1.5	2.3	4.2	10.9	8.1
Mexico .....	3.8	2.2	2.0	2.3	( <sup>1</sup> )	3.5	4.6	6.0
Indonesia .....	2.8	2.0	1.4	2.6	5.0	3.0	2.8	3.5
All others .....	10.5	5.3	7.7	14.0	13.3	9.7	12.8	13.7
Total .....	78.7	43.5	52.9	56.0	83.1	93.9	102.1	103.7

<sup>1</sup> Included in all others.

**Cigar Binder Disappearance Declines**

Even though chewing tobacco output remained the same, cigar binder disappearance for October 1970-March 1971 was 8-1/2 million pounds, about 2 million pounds below a year earlier. Use of both Connecticut Valley (types 51-52) and Wisconsin (types 54-55) binder declined.

The 1970/71 disappearance of Connecticut Valley binder tobacco is estimated slightly below 1969/70. Carryover this October 1 may drop to a new low of about 6-1/2 million pounds—1/2 million pounds below the year-earlier level. During the first 7 months of this marketing year, exports of Connecticut Valley binder were 254,000 pounds, about the same as a year earlier. Wisconsin binder exports dropped back this year in the absence of a shipment to Spain.

Scrap chewing tobacco production is steady, but shifts to other tobacco are keeping the use of Wisconsin tobacco in 1970/71 slightly below the 18 million pounds

of last last season. This would mean carryover stocks above last October's 35 million pounds.

**Cigar Wrapper Disappearance Lower**

The July 1970-March 1971 disappearance of shade-grown cigar wrapper (types 61-62) was 9.8 million pounds, 0.7 million below the year earlier period. Most of the decline came in domestic use as exports held close to last year's level. Prices to growers steadied last season, in contrast to gains the previous year. For the year ending June 30, 1971, cigar wrapper disappearance may fall short of the 1970 crop, leaving more carryover stocks than a year ago.

During the first 10 months of the marketing year, cigar wrapper exports were 1-1/4 million pounds, 200,000 pounds below a year earlier. Connecticut Valley exports steadied but Georgia-Florida kinds were lower. West Germany, last season's leading cigar wrapper destination, is reducing takings substantially this season. The United Kingdom and Canada are taking more.



Table 14.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-71

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds			Million pounds				Cents
Pennsylvania Seedleaf Filler (type 41)									
1965	27.0	1,900	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	23.0	1,675	38.5	127.7	166.2	53.9	52.4	1.5	25.0
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,875	37.5	105.1	142.6	45.3	44.7	.6	30.0
1970	18.0	1,800	32.4	97.3	129.7	*40.0	*39.8	*.2	31.0
1971 2/	18.0		*33.5	*89.7	*123.2				
Ohio, Miami Valley Filler (type 42-44)									
1965	3.7	1,465	5.4	17.0	22.4	6.2	6.2	---	26.2
1966	3.2	1,885	6.0	16.2	22.2	6.7	6.7	---	28.0
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	*4.5	*4.5	---	35.0
1971 2/	1.7		*2.8	*7.4	*10.2				
Puerto Rico Filler (type 46) 3/									
1965	17.0	951	16.2	62.6	78.8	27.0	27.0	---	4/32.1
1966	9.0	1,338	12.0	51.8	63.8	23.3	23.3	---	4/31.3
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	4/33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	4/33.6
1970	4.3	1,265	5.4	19.3	24.7	*15.5	*15.5	---	5/
1971 2/	4.0		*5.0	*9.2	*14.2				
Total Cigar Filler (types 41-46)									
1965	47.7	1,528	72.9	209.0	281.9	86.2	84.4	1.8	26.0
1966	35.2	1,608	56.5	195.7	252.2	83.9	82.4	1.5	26.7
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,759	46.4	141.8	188.2	62.6	62.0	.6	30.6
1970	23.9	1,701	40.7	125.6	166.3	*60.0	*59.8	*.2	31.6
1971 2/	23.7		*41.3	*106.3	*147.6				
Connecticut Valley Binder (types 51-52)									
1965	2.6	1,910	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	1.8	2,111	3.8	19.3	23.1	6.7	5.1	1.6	51.2
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	*3.5	*3.1	*.4	63.5
1971 2/	1.7		*3.0	*6.4	*9.4				
Southern Wisconsin Binder (type 54)									
1965	4.7	1,805	8.5	22.7	31.2	8.8	8.8	---	29.7
1966	3.9	1,895	7.4	22.4	29.8	9.1	9.1	---	34.3
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	40.2
1970	4.4	2,135	9.4	16.7	26.1	*8.0	*8.0	---	50.3
1971 2/	4.6		*9.1	*18.1	*27.2				
Northern Wisconsin Binder (type 55)									
1965	6.2	1,735	10.8	26.8	37.6	9.4	9.1	.3	28.9
1966	5.4	1,635	8.8	28.2	37.0	7.7	7.4	.3	32.4
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,810	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	*9.0	*8.9	*.1	52.0
1971 2/	4.8		*9.0	*18.6	*27.6				

See footnotes at end of table.

Continued --

Table 14.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-71

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds			Million pounds				Cents
Total Wisconsin Binder (types 54-55)									
1965	10.9	1,765	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	9.3	1,744	16.2	50.6	66.8	16.8	16.5	.3	33.3
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,775	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	*17.0	*16.9	*.1	51.1
1971 2/	9.4		*18.1	*36.7	*54.8				
Total Cigar Binder (types 51-55)									
1965	13.5	1,793	24.3	70.8	95.1	25.2	22.8	2.4	32.7
1966	11.1	1,804	20.0	69.9	89.9	23.5	21.6	1.9	36.7
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,714	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	*20.5	*20.0	*.5	52.8
1971 2/	11.1		*21.1	*43.1	*64.2				
Connecticut Valley Shade-grown (type 61)									
1965	9.3	1,567	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	8.8	1,555	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	*8.0	*7.0	*1.0	400.0
1971 2/	4.6		*6.1	*13.5	*19.6				
Georgia-Florida Shade-grown (type 62)									
1965	6.3	1,321	8.3	7.3	15.6	7.4	5.5	1.9	225.0
1966	5.8	1,265	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	*6.0	*5.0	*1.0	270.0
1971 2/	3.0		*4.9	*8.8	*13.7				
Total Shade-grown (types 61-62)									
1965	15.6	1,468	22.9	21.6	44.5	20.0	14.8	5.2	241.0
1966	14.6	1,440	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	275.7
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	*14.0	*12.0	*2.0	350.9
1971 2/	7.6		*11.0	*22.3	*33.3				
Grand Total Cigar Tobacco (types 41-62)									
1965	76.8	1,562	120.1	301.4	421.5	131.4	122.0	9.4	68.3
1966	60.9	1,603	97.5	290.1	387.6	128.2	120.6	7.6	78.2
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,666	77.6	210.6	288.3	99.0	95.9	3.1	96.8
1970	44.0	1,750	76.9	189.3	266.2	*94.5	*91.8	*2.7	99.4
1971 2/	42.4		*73.4	*171.7	*245.1				

1/ October 1 for types 41-55; July 1 for types 61-62.

2/ Subject to revision.

3/ Puerto Rican planting occurs late in calendar year.

4/ Excludes payment by Puerto Rican Government.

5/ Evaluated at 33.6 cents per pound.

\* Estimated, 1971 production based on March 1 acreage intentions and projected yields.

Table 15.--United States and world production and exports of flue-cured and all unmanufactured tobacco, average 1955-59, annual 1960-70

Period	Flue-cured			All tobacco 1/		
	United States:	World total	United States	United States	World total	United States
	2/	2/	as percentage	3/	2/	as percentage
	Million pounds	Percent	of total	Million pounds	Percent	of total
Production (farm-sales weight)						
Average:						
1955-59	1,208	2,914	41	1,941	8,519	23
1960	1,251	3,161	40	1,972	8,278	24
1961	1,258	2,975	42	2,092	7,723	27
1962	1,408	3,230	44	2,350	8,643	27
1963	1,371	3,376	41	2,376	9,605	25
1964	1,388	3,782	37	2,266	10,240	22
1965	1,059	3,469	31	1,871	9,620	19
1966	1,108	3,531	31	1,899	9,636	20
1967	1,263	3,946	33	1,979	10,351	19
1968	982	3,660	28	1,718	9,833	17
1969 4/	1,053	3,805	28	1,810	9,836	18
1970 4/	1,193	3,842	31	1,912	9,990	19
Exports (export weight)						
Average:						
1955-59	413	683	60	500	1,434	35
1960	409	705	58	496	1,501	33
1961	403	727	55	501	1,667	30
1962	375	776	48	469	1,690	28
1963	403	786	51	505	1,670	30
1964	396	864	46	515	1,898	27
1965	351	844	42	468	1,815	26
1966	423	710	60	551	1,689	33
1967	427	750	57	572	1,821	31
1968	444	802	55	599	1,802	33
1969 4/	430	833	52	577	1,778	32
1970 4/	367	810	45	510	1,805	28

1/ Unmanufactured. 2/ Production figures include Communist bloc; export figures relate to free world.  
3/ Including Puerto Rican. 4/ Subject to revision. Note: Foreign data supplied by Tobacco Division, Foreign Agricultural Service.

Table 16.--Tobacco imports of ranking foreign markets and percentage supplied by the United States, 1967-70

Country	Total tobacco imports 1/				Percentage supplied by the United States			
	1967	1968	1969	1970 2/	1967	1968	1969	1970 2/
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent	Percent	Percent
West Germany	334	306	340	270	37	29	32	25
United Kingdom	280	328	305	284	47	50	44	41
France	122	105	98	140	5	7	5	7
Netherlands	103	102	107	121	34	34	30	30
Japan	65	60	73	73	62	59	64	60
Belgium-Luxembourg	82	67	72	72	23	22	22	22
Spain	74	68	69	79	11	9	10	6
Switzerland	44	47	53	87	46	45	45	40
Canary Islands	30	37	39	39	2	2	1	*1
Italy	23	14	39	37	30	48	42	38
Denmark	38	41	34	37	50	47	55	65
United Arab Republic	30	30	31	*30	*5	*2	*8	*2

1/ Unmanufactured tobacco. 2/ Subject to revision. \* Estimated.  
Compiled from reports of Foreign Agricultural Service.



## 1970 Cigar Tobacco Crop Summary

Marketing of the 1970 U.S. cigar tobacco crop was practically completed by April 1971. The 1970 crop was 71.6 million pounds, about the same as in 1969, according to USDA's Crop Reporting Board. Price increases ranged from 1 cent per pound for Pennsylvania

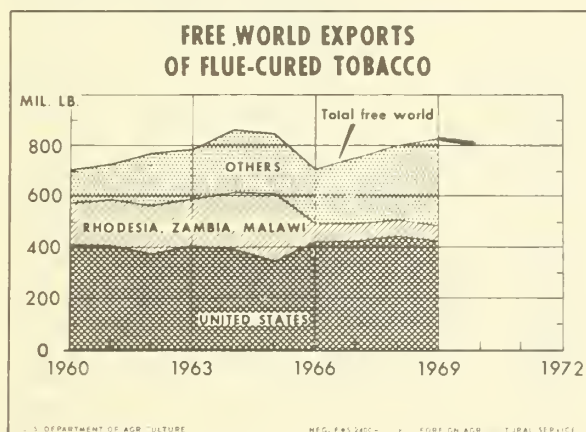
to 10 cents per pound for Wisconsin binder. Last year filler and wrapper production declined; binder output gained. Acreage declined, except for binder. Yields gained last year, except for cigar filler types where yields declined.

The Puerto Rican crop (type 46) was harvested early this year on reduced acreage. Production fell to a record low.

## WORLD TOBACCO TRADE REVIEW, 1970<sup>2</sup>

### Exports Down Slightly in 1970

Despite the large crops and carryover, world tobacco leaf trade last year remained below the 1964 record. U.N. sanctions against Rhodesian tobacco continued. Major surplus supplies of oriental leaf continue. World import trade volume (excluding the Sino-Soviet countries) was down 3 percent from 1969 to 1,859 million pounds of unmanufactured tobacco. World exports gained 2 percent last year. The United States, the world's leading producer and exporter of tobacco, supplied 28 percent of the free-world exports in 1970 (table 15), compared with 32 percent in 1969. U.S. exports decreased 12 percent from 1969 under stiffer competition from cheaper tobacco in Western Europe. The United States shipped about 45 percent of the world's flue-cured total last year.



The 10 leading exporting countries accounted for 73 percent of total free-world exports last year, compared with 77 percent in 1969 (table 17). In 1955-59 this share averaged 87 percent. Many other countries are expanding tobacco production as a valuable source of export earnings, even though their exports sell for one-fourth or one-half the level of U.S. prices. Among 9 specified countries (Mexico, Argentina, Paraguay, Colombia, South Africa, China (Taiwan), South Korea, Pakistan, and Thailand) tobacco exports increased by 9 percent last year to 232 million pounds, versus only 31 million pounds in 1955-59.

Table 17.—Exports of unmanufactured tobacco from the leading exporting countries, 1967-70

Country	1967	1968	1969	1970
	Million pounds	Million pounds	Million pounds	Million pounds
United States . . . . .	572	599	577	510
Turkey . . . . .	202	179	155	<sup>1</sup> 161
Greece . . . . .	178	155	157	140
India . . . . .	123	115	121	110
Rhodesia . . . . .	*68	*57	*50	*70
Brazil . . . . .	100	85	106	118
Philippine Republic	60	94	73	<sup>1</sup> 66
Dominican Republic	44	36	38	42
Canada . . . . .	43	47	52	65
Korea, South . . . . .	24	34	40	41
Total 10 countries	1,414	1,401	1,369	1,323
Ten countries as percentage of world total				
	Percent	Percent	Percent	Percent
	78	78	77	73

<sup>1</sup> Fiscal year. \*Estimated.

Compiled from reports of Foreign Agricultural Service.

### Import Highlights

The United States ranks third in importing cigarette and cigar tobaccos for blending with domestic types. The United Kingdom again became the world's leading tobacco importing country by surpassing West Germany. Both countries took less tobacco last year. Manufacturers reduced inventories while the governments considered changes in import policy.

The 12 leading importing countries outside the United States accounted for 68 percent of total free-world imports in 1970 (table 16). If U.S. imports are added, the 13 countries would account for 80 percent. This is about the same proportion as in 1969.

The United Kingdom imported 284 million pounds of tobacco last year, 7 percent below 1969. Receipts from the United States and Commonwealth countries declined. The 1970 gross clearances of tobacco from

<sup>2</sup> Data summarized from "World Tobacco Exports", Foreign Agriculture Circular FT 3-71, June 1971, available from Foreign Agricultural Service, Room 5918, U.S. Department of Agriculture, Washington, D.C. 20250.

bond—an approximate measure of home use and exports combined—stayed about the same last year.

West Germany's imports dropped to 270 million pounds in 1970, one-fifth below 1969. The United States continued as the leading supplier, but the U.S. share of the market dropped as West German manufacturers were uncertain about how the tobacco CAP would apply to imports, particularly higher-valued

kinds like those from the United States. Germany's imports of tobacco from Greece, Turkey, Bulgaria, and Yugoslavia declined further to 76 million pounds after a sizable drop in 1969. Imports from the Far East declined to 43 million pounds last year after a gain in 1969. Mainland China continues as the chief supplier from that area.

France is the fourth largest tobacco importing country, but the U.S. share is minor. Latin American sources supplied about 35 percent of the total last year, about the same percentage as in 1969. Oriental leaf accounted for 29 percent of France's tobacco imports last year, the same share as in 1969.

The Netherlands has no domestic tobacco production and draws from a large number of countries. The U.S. share of the total stayed the same last year, while South Africa's second-place share rose to 17 percent of the total.

Switzerland fills virtually all its tobacco requirements by importing from a wide variety of sources. Swiss cigarette and cigar output is rising and tobacco imports took a big jump last year. The United States remains the principal supplier but the U.S. share dropped slightly. Greece, Italy, South Africa, and South Korea increased their share in the Swiss market.

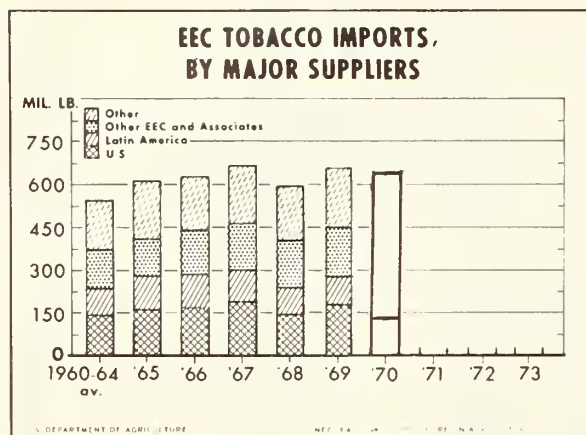


Table 18.—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1968-71

Item	July—March			Item	July—March		
	1968—1969	1969—1970	1970—1971		1968—1969	1969—1970	1970—1971
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>		<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
Imports, by source				Gross clearances:			
United States .....	107	128	108	Full duty <sup>1</sup> .....	128	125	118
Commonwealth .....	81	80	96	Commonwealth rate <sup>2</sup> .....	103	99	108
Other .....	24	29	34	Total .....	231	224	226
Total .....	212	237	238				
Exports:				Flue-cured:			
Manufactured products .....	33	39	36	United States .....	111	103	94
Unmanufactured .....	3	3	5	Canada .....	32	35	40
				India .....	33	33	33
Stocks, March 31:				Zambia and Malawi .....	7	9	7
Flue-cured .....	325	378	360	Rhodesia .....	14	4	1
Other .....	81	50	48	Other .....	16	19	24
Total .....	406	428	408	Total .....	213	203	199
				Net clearances .....	179	169	169

<sup>1</sup> Equivalent to \$12.10 per pound. <sup>2</sup> Equivalent to \$11.9½ per pound.

Compiled from official United Kingdom sources.



Table 19: —Tobacco: EEC imports, by major suppliers, 1955-70

Year	United States	Latin America	Other EC and Associates		India, Canada, Rhodesia, Zambia, Malawi	Other	Total	U.S. share of total
			Greece and Turkey	Other E.C. and associated areas				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Average								
1955-59 . . . .	119	53	90	41	27	57	387	30.7
1960-64 . . . .	140	89	86	55	61	109	540	25.9
1965 . . . . .	159	120	84	49	73	126	611	26.0
1966 . . . . .	172	113	101	53	55	132	626	27.5
1967 . . . . .	190	110	99	60	27	178	664	28.6
1968 . . . . .	145	95	97	65	21	170	593	24.5
1969 . . . . .	178	98	100	66	20	193	655	27.2
1970 . . . . .	142	104	101	72	15	206	640	22.2

## FOREIGN NEWS BRIEFS

### Foreign Production and Sales

Canada's 1970 flue-cured crop was about 215 million pounds or 10 percent below the previous year, due to reduced acreage. Auction sales in Ontario (where most of the crop is grown) amounted to 199 million pounds and averaged the equivalent of 66 U.S. cents per pound. With record-high yields, production exceeded the crop target by 15 percent. Prices averaged below a year earlier and also below the Marketing Board's target price. For 1971 the acreage quota in Ontario was cut. Ontario aims to produce a crop of around 177 million pounds. Acreage will be cut 12 percent from last season. Domestic manufacturers have agreed on a target price of 69 Canadian cents per pound.

India's 1970/71 flue-cured crop may equal last year's outturn of 179 million pounds, despite a severe drought during October-December 1970. January weather turned favorable.

For Rhodesia's flue-cured crop, harvested early in 1971, growers received a guarantee equivalent to 32.2 U.S. cents per pound for 120 million pounds, plus 21 cents for an additional 12 million pounds. Rhodesia's government buys the crop at fixed prices for specified classifications, so growers obtain the average price goal. Beginning next season a quality incentive and the 32-cent price will apply on the entire target of 132 million pounds.

Oriental leaf production increased last year, but Turkish growers reduced acreage and the government has reduced old-crop stocks. Sales of the 1970 crop began in January with considerable uncertainty, due to the devaluation of the Turkish lira last year. Buyers paid more for the 1970 crop but cost to foreign buyers declined due to the devaluation.

### United Kingdom Moves Toward EC Membership

After negotiating sessions in May, representatives of

the EC and 4 applicant countries—Britain, Denmark, Ireland, and Norway—agreed on plans for an enlarged Community. Further meetings were held in June. Issues being resolved include: the transition period for agriculture; Britain's contribution to the Community Budget, arrangements for imports from Commonwealth countries, and tariff quotas. The EC farm policy provides high farm prices, without production controls, supported by variable levies and export subsidies. The U.K. policy has been one of low farm prices and deficiency payments, along with Commonwealth tariff preferences.

American tobacco farmers and exporters are concerned because one-fourth of U.S. tobacco exports go to the United Kingdom. If U.K. preferential arrangements were raised to EC levels, and the combined fixed and proportional taxes apply at retail, U.S. tobacco would have difficulty competing. The U.K. tobacco market will likely change substantially as the tobacco excise duty on leaf weight is phased out. Kingsize cigarettes and new tobacco blends are expected.

### EC Developments

Tobacco support prices to EC growers continue in 1971/72 at the same level as last season. EC tobacco production is expected to increase this year. Despite U.S. criticism of the EC buyer's premium, the Common Market has not changed this special incentive for EC producers.

The 6 Common Market countries agreed in March to begin their tariff preference program in favor of less developed countries on July 1. Of the rest of the world's industrialized countries, only Japan is going ahead with the plan. The plan would provide duty-free entry for all manufactured and semi-manufactured goods, as well as processed agricultural products, from some 90 countries. Further discussion will consider whether to include countries further along in development. The United

Kingdom is examining this system in connection with Common Market entry negotiations.

#### United States Permits Trade With China

The United States lifted a 21-year embargo against trade with China on June 13 by permitting exports and imports of a large number of non-strategic items, including tobacco and tobacco products. For many years China had been an important market for U.S. flue-cured tobacco. Our most flourishing tobacco trade with China existed during 1928-31, when leaf and cigarette exports to that country averaged 150 million pounds annually—equivalent to one-fourth of the U.S. tobacco exports and three-eighths of the flue-cured exports. Largely because of the substitution of Chinese leaf for U.S. leaf, U.S. exports declined to about 40 million pounds annually in the 5 years before the 1950 embargo.

China rivals the United States as the world's leading tobacco producing country. Not only has China become self-sufficient in tobacco requirements, but in recent years it has been exporting sizable quantities. Based on data from importing countries, China's exports reached 120 million pounds in 1957, most of which went to the Soviet Union and Eastern European countries. Exports fell back during the early 1960's but then turned upward to around 65 million pounds in 1968 and 1969. In contrast to the 1950's, West Germany and Singapore contributed to the growth of China's exports.

The United States may eventually have meaningful trade for farm exports as well as nonfarm products with China but does not expect significant developments in the immediate future, according to the Secretary of Agriculture. Present law does not allow imports from China to enter under the most-favored-nation tariff rate.

## TRENDS IN CASH RECEIPTS FROM TOBACCO

by

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**ABSTRACT:** Cash receipts from tobacco of \$1.4 billion were near a record high in 1970. But, relative to total cash farm receipts tobacco has declined since 1950-54. Tobacco receipts were boosted due to price increases, but unlike most other commodities the quantity sold decreased. Receipts from tobacco declined in some leading producing States, but increased for the southeastern area, where 95 percent of production occurs. However, tobacco's income share declined from 1950-54 to 1970. Off-farm income of southeastern farm families exceeds cash receipts from tobacco sales. With demand declining, tobacco will probably not maintain its relative position with total cash farm receipts.

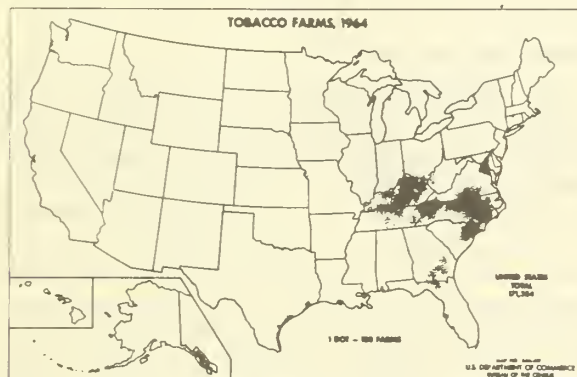
**KEY WORDS:** Tobacco, farm income, southeastern States.

Since the settlement of the English colonies in Jamestown, tobacco has been an important source of farm income. Killebrew and Myrick (1897) record that the settlement of Virginia would have been a failure but for the rapid expansion of Rolfe's tobacco growing venture in 1612.

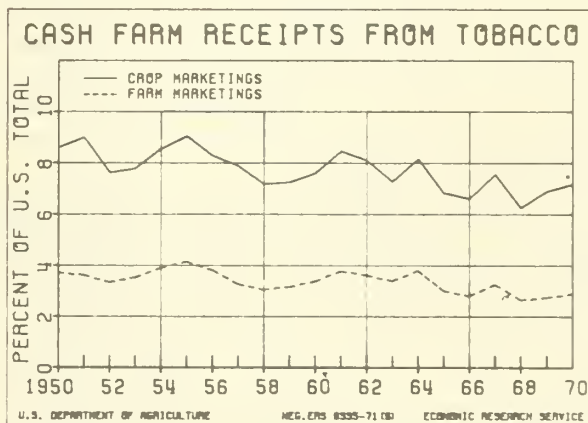
Tobacco provides income for about 625,000 U.S. farm families. Many depend on it for a significant part of their livelihood. Although tobacco is grown in about half the States, production is concentrated in the Southeast. Six States receive some 90 percent of the cash receipts from tobacco sales.

from farm marketings in North Carolina and Kentucky, and about a fourth in South Carolina. In 1969 tobacco ranked fourth among U.S. cash crops and ninth among all farm marketings.

Cash receipts from tobacco sales are trending upward. Last year's total of almost \$1.4 billion was about a fourth more than the 1950-54 average. But the rate of increase is less than the average for all farm commodities. Cash receipts from farm marketings totaled a record-high \$49 billion in 1970. In addition farmers received \$3.7 billion in government payments in 1970 compared with a 1950-54 average of \$0.31 billion.



In 8 States tobacco is the leading cash crop. Tobacco accounts for more than a third of the total cash receipts



Five leading commodities ranked according to cash receipts,  
southern area, 1969

State	1	2	3	4	5
Alabama	Broilers	Cattle	Eggs	Hogs	Dairy Products
Florida	Oranges	Cattle	Dairy Products	Grnhse Nrsry	Tomatoes
Georgia	Broilers	Eggs	Peanuts	Cattle	Hogs
Kentucky	Tobacco	Cattle	Dairy Products	Hogs	Corn
Maryland	Broilers	Dairy Products	Corn	Cattle	Tobacco
North Carolina	Tobacco	Broilers	Eggs	Hogs	Dairy Products
South Carolina	Tobacco	Eggs	Soybeans	Cattle	Dairy Products
Tennessee	Cattle	Dairy Products	Tobacco	Soybeans	Hogs
Virginia	Dairy Products	Tobacco	Cattle	Eggs	Broilers
West Virginia	Cattle	Dairy Products	Eggs	Apples	Broilers



Tobacco sales averaged 3.6 percent of all farm cash receipts and government payments during 1950-54. By 1970 the share had declined to 2.6 percent. Tobacco averaged 8.3 percent of cash income from all crops during 1950-54, but in 1970 the share was 7.1 percent.

Tobacco's share of cash farm receipts, 1950-70

Year	Cash receipts from tobacco	Percent of total—		
		Marketings	Marketings and gov't. payments	Crops
	Million dollars	Percent	Percent	Percent
Average:				
1950-54 ..	1,119	3.6	3.6	8.3
1955-59 ..	1,088	3.5	3.4	7.9
1960-64 ..	1,297	3.6	3.5	7.9
1965-69 ..	1,251	2.9	2.7	6.8
1965 ...	1,186	3.0	2.8	6.8
1966 ...	1,211	2.8	2.6	6.6
1967 ...	1,391	3.3	3.0	7.5
1968 ...	1,173	2.7	2.5	6.3
1969 ...	1,296	2.7	2.5	6.9
1970 <sup>1</sup> ..	1,388	2.9	2.6	7.1

<sup>1</sup> Subject to revision.

Total cash receipts from all farm marketings increased 57 percent from 1950-54 to 1970, but cash receipts from tobacco increased only 25 percent. All crops increased 45 percent and livestock and products 67 percent. The major increases in cash receipts since the early 1950's came from cattle and calves, feed crops, and oil-bearing crops. Receipts from these commodity groups more than doubled from 1950-54 to 1970. All but 4 other major commodity groups gained more than tobacco's 25 percent gain; food grains, cotton, wool, sheep and lambs all declined.

The increase in cash receipts from marketings from 1950-54 to 1970 reflects both higher average prices and increased quantity marketed. Between 1950-54 and 1970, the quantity of livestock and products marketed increased 46 percent and that for crops 47 percent.

In contrast, tobacco marketings declined. Since the early 1950's the production required for a supply-utilization balance has trended downward. For 1950-54 to 1970 average production decreased about 15 percent. However, tobacco prices increased more than 40 percent, thus boosting receipts.

To achieve a desirable supply-utilization balance and to stabilize farm income, USDA sets marketing quotas that limit production on about 95 percent of tobacco acreage. In turn farmers are eligible to receive price supports. Economists state the demand for tobacco is declining and relatively inelastic, but production

response is relatively elastic.<sup>1</sup> So without the government program farmers likely would have expanded production and received lower prices. This would have substantially reduced cash receipts.

Cash receipts from farm marketings by commodity group, United States, 1950-54 and 1969

Commodity	1950-54	1969 <sup>1</sup>	Change
	Million dollars	Million dollars	Percent
Cattle and calves .....	5,771	12,522	117
Hogs .....	3,501	4,667	33
Sheep and lambs .....	377	332	-12
Dairy products .....	4,204	6,172	47
Eggs .....	1,828	2,256	23
Broilers and chickens .....	1,067	1,634	53
Turkeys and other poultry ...	382	533	40
Wool .....	149	70	-53
Other .....	152	253	66
Total livestock .....	17,432	28,439	63
Food grains .....	2,257	2,057	-9
Feed crops .....	2,290	4,379	91
Cotton .....	2,829	1,059	-63
Oil bearing crops .....	980	2,910	196
Tobacco .....	1,119	1,296	16
Fruit and tree nuts .....	1,172	2,206	88
Vegetables .....	1,679	2,781	66
Other .....	1,175	2,102	79
Total crops .....	13,504	18,790	39
Total .....	30,936	47,229	52

<sup>1</sup> Subject to revision.

## The Southeastern Area

Cash receipts followed the U.S. trends in the southeastern tobacco producing area, including North Carolina, South Carolina, Virginia, Georgia, Florida, Maryland, West Virginia, Kentucky, Tennessee, and Alabama. These States account for about 95 percent of U.S. tobacco production. Cash receipts from tobacco in this area currently are near record high, but the relative importance of tobacco in total cash receipts has declined. Cash farm receipts from the area increased 65 percent from 1955 to 1970, but tobacco receipts increased only 14 percent. As a result, tobacco declined in importance from 24 percent of cash receipts in 1955 to 17 percent in 1970 as livestock and other crops gained substantially.

From 1955 to 1970, tobacco receipts declined 6 percent in South Carolina, a major tobacco-producing

<sup>1</sup> Garnett, B. L., and Thompson, J. F., "Impact of Eliminating the Tobacco Price-support, Supply-control Program", paper presented at the conference on Social and Economic Issues Confronting the Tobacco Industry in the Seventies, Lexington, Ky., May 18, 1971, 26 pp.



State. Cash farm receipts from marketings gained 30 percent. North Carolina, the largest tobacco-producing State, had a 64 percent increase in cash farm receipts, but an 8 percent increase in receipts from tobacco; the 1966-70 average was down. Tobacco declined from 57 percent of the total receipts in 1955 to 37 percent in 1970.

**Tobacco's share of cash farm receipts from marketings, southeastern states, 1955 and 1970**

State	1955	1970
	Percent	Percent
North Carolina .....	56.9	37.3
Kentucky .....	45.5	32.9
South Carolina .....	31.7	22.8
Virginia .....	20.1	14.9
Georgia .....	13.8	8.9
Tennessee .....	12.0	11.6
Maryland .....	6.7	5.4
Florida .....	3.6	2.4
West Virginia .....	1.9	2.2
Alabama .....	.1	.1
10-state area .....	24.0	16.6

Other States in the southeastern producing area had gains in total cash farm receipts ranging from 1 percent in West Virginia to 118 percent in Georgia. Cash receipts from tobacco relative to all commodities decreased for all States in the Southeastern tobacco-producing area except in the minor producing States of West Virginia and Alabama.

In Florida, Georgia, South Carolina, North Carolina, and Virginia, where virtually all U.S. flue-cured tobacco is produced, receipts from all farm commodities increased 67 percent from 1955 to 1970, but tobacco receipts were up only 9 percent, despite the gain in tobacco prices. During this period tobacco declined from 29 percent of total cash receipts to 18 percent. Flue-cured accounts for about 96 percent of tobacco production in this area.

#### Other Income to Farm Families

Farm families receive substantial amounts of income from sources other than the farms they operate. In 1970, off-farm income was equivalent to about 27 percent of U.S. farm cash receipts. The latest data available for individual States is the 1964 Census of Agriculture. In the 10-State Southeastern tobacco

producing area off-farm income was equal to 42 percent of cash receipts and exceeded 1964 income from tobacco by more than 100 percent. Farm families in all States in the area except North Carolina received more off-farm income than they received from tobacco. Off-farm income was equivalent to 75 percent of tobacco marketings in North Carolina, the largest tobacco producing State. Off-farm income has increased further relative to cash receipts from tobacco since 1964.

**Income to farm households from sources other than the farm operated, 1964**

State	Farm operator	Other family members	Other sources of income	
			Total	Percent of farm marketings
	Million dollars	Million dollars	Million dollars	Percent
North Carolina ....	249	127	375	35
South Carolina ....	106	56	163	47
Virginia .....	175	79	255	51
Georgia .....	186	81	267	32
Florida .....	131	37	169	18
Maryland .....	57	26	834	30
West Virginia ....	92	24	116	126
Kentucky .....	241	88	329	56
Tennessee .....	271	109	380	72
Alabama .....	198	74	271	50
10 State Total ....	1,707	702	2,409	42
United States .....	7,451	2,602	10,053	28

From *Census of Agriculture 1964*, Vol. II.

#### Prospects for Cash Receipts from Tobacco

Prospects are for further decline in the importance of tobacco as a source of farm income. Cash receipts may rise further as tobacco prices increase, but production will likely decline. Innovations in tobacco manufacturing, declining domestic use, and increased competition in foreign markets all point to decreased tobacco production. Tobacco prices will likely rise as production costs and the general price level rise, but tobacco probably will not be able to maintain its historical position relative to total farm cash receipts.

Table 20.--Cash receipts from tobacco and percentages of total cash receipts from all farm commodities, by states, average 1963-67, annual 1968-70

State	Average 1963-67		1968		1969 1/		1970 1/	
	:Percentage:		:Percentage:		:Percentage:		:Percentage:	
	:Tobacco: of total		:Tobacco: of total		:Tobacco: of total		:Tobacco: of total	
	: receipts :		: receipts :		: receipts :		: receipts :	
	Million		Million		Million		Million	
	dollars	Percent	dollars	Percent	dollars	Percent	dollars	Percent
North Carolina	: 524	42.8	444	35.8	516	36.2	576	37.3
Kentucky	: 289	39.9	282	34.2	301	33.9	303	32.9
South Carolina	: 95	23.9	81	21.7	99	24.1	101	22.8
Virginia	: 86	17.3	76	14.6	93	16.2	89	14.9
Tennessee	: 85	14.4	82	13.1	78	11.8	82	11.6
Georgia	: 83	8.7	77	7.4	76	6.6	102	8.9
Florida	: 27	2.7	30	2.5	32	2.4	31	2.4
Maryland	: 21	6.7	20	5.8	23	5.9	21	5.4
Connecticut	: 27	17.4	25	15.7	22	13.4	24	14.6
Pennsylvania	: 12	1.4	11	1.1	11	1.1	11	1.1
Ohio	: 13	1.1	13	1.0	14	1.1	14	1.1
Indiana	: 9	.8	10	.8	10	.7	10	.7
Massachusetts	: 10	6.2	9	5.6	9	5.4	11	6.5
Wisconsin	: 6	.5	6	.4	5	.3	5	.3
Missouri	: 3	.2	4	.2	3	.2	4	.3
West Virginia	: 3	2.2	2	2.5	2	2.3	2	2.2
United States 2/	: 1,294	3.2	1,173	2.7	1,296	2.7	1,388	2.8

1/ Subject to revision. 2/ U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 21.--Tobacco manufacturing corporations: Net sales, net income, and profit,ratios, 1961-71

Period	Net income			Profit				
	Net sales	Before	After	Per dollar of sales		As percentage of stockholders equity (annual basis)		
		Federal tax	Federal tax	Before	After	Before	After	
		Federal tax	Federal tax	Federal tax	Federal tax	Federal tax	Federal tax	
		-----	Million pounds	-----	-----	Cents	-----	-----
1961	: 5,300	630	303	11.9	5.7	28.3	13.6	
1962	: 5,340	634	306	11.9	5.7	27.1	13.1	
1963	: 5,563	675	327	12.1	5.9	27.6	13.4	
1964	: 5,836	664	345	11.4	5.9	25.8	13.4	
1965	: 6,006	665	354	11.2	5.9	25.4	13.5	
1966	: 6,570	727	389	11.1	5.9	26.3	14.1	
1967	: 7,088	794	420	11.2	5.9	27.2	14.4	
1968	: 7,859	896	436	11.4	5.6	29.7	14.4	
1969	: 9,162	976	476	10.6	5.2	29.6	14.4	
1970	: 9,839	1,098	569	11.1	5.8	30.3	15.7	
Quarterly	:	:	:	:	:	:	:	
1970	:	:	:	:	:	:	:	
1	: 2,202	228	119	10.4	5.4	26.3	13.7	
2	: 2,425	265	132	10.9	5.4	30.0	15.0	
3	: 2,538	302	158	11.9	6.2	33.3	17.4	
4	: 2,674	303	160	11.3	6.0	31.5	16.6	
1971	:	:	:	:	:	:	:	
1	: 2,434	267	145	11.1	6.0	27.3	14.8	
	:	:	:	:	:	:	:	

Note: Data include non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

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2/ Available from Division of Information, OMS, Room 0423, USDA, Washington, D.C. 20250.

3/ Available from Information Division, C&MS, Room 1768, USDA, Washington, D.C. 20250.

4/ Available from Press Service, USDA, Washington, D.C. 20250.

# STATISTICAL SUMMARY

Item	Unit or base period	1970		1971			Last data as percentage of a year earlier	
		Apr.	May	Mar.	Apr.	May		
Average price at auctions								
Flue-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Burley	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Maryland	Ct. per lb.	74.8	75.8	Closed	79.7	78.5	104	
Virginia fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Ky.-Tenn. fire-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Ky.-Tenn. dark air-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Virginia sun-cured	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---	
Support price 1/								
Flue-cured	Ct. per lb.		66.6		69.4		104	
Burley	Ct. per lb.		68.6		71.5		104	
Maryland	Ct. per lb.		No support		No support		---	
Virginia fire-cured	Ct. per lb.		46.6		48.5		104	
Ky.-Tenn. fire-cured	Ct. per lb.		46.6		48.5		104	
Ky.-Tenn. dark air-cured	Ct. per lb.		41.4		43.1		104	
Virginia sun-cured	Ct. per lb.		41.4		43.1		104	
Connecticut Valley								
cigar binder	Ct. per lb.		47.5		49.5		104	
Wis. binder and Ohio filler	Ct. per lb.		34.3		35.8		104	
Puerto Rican filler	Ct. per lb.		35.6		37.1		104	
Parity index 2/		1967=100	114	114	118	119	120	105
Industrial production index 3/		1967=100	108	107	105	105	106	99
Employment	Mil.		78.4	78.4	77.5	78.2	78.7	100
Personal income 4/	Bil. dol.		806.0	799.7	836.8	841.4	847.4	106

See footnotes at end of table.

Continued



## STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1970		1971			Last data as percentage of a year earlier
		Mar.	Apr.	Feb.	Mar.	Apr.	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	36.4	30.2	32.1	50.8	42.1	139
Burley	Mil. lb.	5.5	3.7	1.4	3.9	2.0	54
Maryland	Mil. lb.	1.6	1.0	.4	.8	.4	40
Virginia fire- & sun-cured	Mil. lb.	.6	.1	.2	.1	.7	700
Ky.-Tenn. fire-cured	Mil. lb.	.8	3.2	.9	2.3	1.4	44
Ky.-Tenn. dark air-cured	Mil. lb.	.2	.1	*	.6	.7	700
Black Fat	Mil. lb.	.3	.2	.2	.3	.2	100
Cigar wrapper	Mil. lb.	.1	.3	.1	.1	.2	67
Connecticut binder	Mil. lb.	0	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	0	0	0	*	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	435.2	465.4	366.7	417.5	459.6	99
Burley	Mil. lb.	28.4	32.1	16.3	20.2	22.2	69
Maryland	Mil. lb.	6.2	7.2	3.7	4.5	4.9	68
Virginia fire- & sun-cured	Mil. lb.	2.3	2.4	3.1	3.2	4.0	167
Ky.-Tenn. fire-cured	Mil. lb.	11.2	14.4	9.2	11.5	12.9	90
Ky.-Tenn. dark air-cured	Mil. lb.	.5	.6	.3	.8	1.6	267
Black fat	Mil. lb.	1.2	1.3	1.1	1.4	1.6	123
Cigar wrapper	Mil. lb.	1.1	1.4	1.0	1.1	1.3	93
Connecticut binder	Mil. lb.	.2	.3	.2	.2	.3	100
Wisconsin binder	Mil. lb.	.2	.2	*	*	.1	50
Cigar filler	Mil. lb.	.3	.4	*	.1	.1	25
Exports of manufactured tobacco							
in bulk	Mil. lb.	1.6	1.2	2.1	2.1	1.8	150
Accumulated from Jan. 1	Mil. lb.	3.9	5.1	5.0	7.2	8.9	174
Quarterly data							
		1970		1971			
		Jan.-Mar.	Apr.-June	Jan.-Mar.	Apr.-June		
Stocks of tobacco--1st of quarter <u>9/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,443	2,207	2,504	2,234		101
Burley	Mil. lb.	1,588	1,631	1,654	1,628		100
Maryland	Mil. lb.	67	54	50	41		76
Fire-cured	Mil. lb.	70	96	64	88		92
Dark air- and sun-cured	Mil. lb.	64	69	59	63		91
Cigar filler	Mil. lb.	125	152	114	133		88
Cigar binder	Mil. lb.	46	54	44	55		102
Cigar wrapper	Mil. lb.	26	25	26	25		100
Under Government loan <u>10/</u>	Mil. lb.	1,256	1,274	1,371	1,321		104
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	32.7	34.2	29.2	31.4		92
Cigar types	Mil. lb.	2.4	1.9	2.0	1.7		89
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	412	426	386	386		91
Cigar	Mil. lb.	95	102	99	104		102
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	552	583	577	576		99
Taxable removals	Bil.	503	526	533	533		101
Cigar production	Bil.	8.09	8.52	8.16	8.36		98
Smoking production	Mil. lb.	67.7	70.6	70.8	70.8		100
Chewing production							
Scrap	Mil. lb.	37.6	40.6	40.5	40.5		100
Plug and other	Mil. lb.	29.0	29.6	29.3	29.3		99
Snuff production	Mil. lb.	25.4	25.7	26.0	25.0		97
Exports of leaf total	Mil. lb.	540	600	771	655		109
Flue-cured	Mil. lb.	473	436	709	525		120

1/1970 and 1971 crops respectively. 2/Prices paid by farmers including interest, taxes and wage rates. 3/Seasonally adjusted. 4/Seasonally adjusted, annual rate. 5/Excise tax excluded. 6/Federal and applicable state and local taxes included. 7/Farm-sales weight equivalent. 8/July 1 for flue-cured and cigar wrapper and October 1 for others. 9/Holdings of manufacturers and dealers including grower cooperatives. 10/Reported by growers cooperatives. 11/Weight of tobacco leaf not including stems added. 12/Data for most recent quarter are preliminary estimates. \*Less than 50,000 pounds. Detail may not add to total due to rounding.

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JUNE 1971

## LIST OF TABLES

Table	Title	Page
1	Cigarettes: Output, removals, and consumption, 1960-71 .....	5
2	Cigarettes: U.S. exports to leading destinations, 1969-71 .....	4
3	Cigars and smoking tobacco: Output, removals, and consumption, 1965-71 .....	6
4	Tobacco products: Output, 1969-71 .....	7
5	U.S. tobacco exports by types and countries, 1963-71 .....	8
6	U.S. imports of unmanufactured tobacco for consumption, and general, 1970-71 .....	9
7	Tobacco: Acreage and yield per acre, United States, 1960-71 .....	11
8	Tobacco stocks: Flue-cured and burley, 1965-71 .....	12
9	Flue-cured tobacco: U.S. supplies, disappearance, and prices, 1960- 71 .....	13
10	Burley tobacco: U.S. supplies, disappearance, and prices, 1960-71 ..	15
11	Maryland tobacco: U.S. supplies, disappearance, and prices, 1965-71	17
12	Fire-cured tobacco: U.S. supplies, disappearance, and prices, 1965- 71 .....	18
13	Dark air-cured tobacco: U.S. supplies, disappearance, and prices, 1965-71 .....	19
14	Cigar tobacco: Supplies, disappearance, and prices, 1965-71 .....	22
15	World tobacco production and exports and the United States share, 1955-70 .....	24
16	Tobacco imports of ranking foreign markets and the United States share, 1967-70 .....	24
17	Exports of unmanufactured tobacco from the leading exporting coun- tries, 1967-70 .....	25
18	United Kingdom tobacco: Imports, stocks, clearances, and exports, 1968-71 .....	26
19	EEC tobacco imports, by major suppliers, 1955-70 .....	27
20	Cash receipts from tobacco, by States, 1963-70 .....	32
21	Tobacco manufacturing corporations: Net sales, net income, and profit ratios, 1961-71 .....	32
	Statistical Summary .....	34